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CAN CLINTON SURVIVE?

Herald Tribune



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Kohl Gets Key Boost In Bavarian Election

By William Drozdiak
Washington Post Service

BERLIN — Chancellor Helmut Kohl's struggling re-election campaign received an important boost Sunday when his Bavarian allies, the Christian Social Union, won about 52 percent of the vote and kept their absolute majority in Germany's biggest and most prosperous state.

The result in the Bavarian state vote, held just two weeks before the national election, came as a disappointment to the Social Democrats. They scored less than 30 percent, according to early returns, despite extensive campaigning by their candidate for chancellor, Gerhard Schröder.

Mr. Kohl's ruling Christian Democrats hailed the victory by their Bavarian sister party as a harbinger that

voter sentiment was shifting in their favor in the waning days of the national campaign. Opinion polls still show the Social Democrats running three to seven points ahead.

"This was a serious blow for the Social Democrats and especially for their chancellor candidate, who was their chief fighter here," said the Bavarian premier, Edmund Stoiber, who led the election campaign for the Christian Social Union. "There has been a clear change in voting trends and the Christian Democrats are now moving up."

But the Social Democrats denied the outcome, claiming that Mr. Stoiber won by keeping his distance from Mr. Kohl and railing against the chancellor's pet project, the single European currency.

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Chancellor Helmut Kohl of Germany pressing the flesh Sunday in Herzheim as he campaigned for the Sept. 27 general election.

Swissair Wins High Mark For Actions After Crash

The Airline and Investigators Moved Rapidly To Give Comfort and Help to Grieving Families

By Steven Pearlstein
and Don Phillips
Washington Post Service

HALIFAX, Nova Scotia — A week after TWA Flight 800 crashed off Long Island in 1996, families of the victims had become so angry at the airline and crash investigators that President Bill Clinton and his wife, Hillary, flew up to New York to try to smooth things over.

The list of complaints: refusal to make public the passenger list, delays in identifying bodies, special toll-free 800 numbers that could not be reached, information issued to the press before it was given to grieving relatives. These problems were associated with other airline crashes as well.

But in the aftermath of the latest aviation tragedy, the crash of Swissair Flight 111 the night of Sept. 2, friends and relatives are full of praise for how the airlines and investigators have accommodated their needs as best they could.

"We are all so appreciative of the professionalism and dedication of the professional staff and volunteers here," said Claire Mortimer of Berkeley, California, after viewing the site last weekend off Peggy's Cove where her father and stepmother died.

"Absolutely everything we wanted or needed they've taken care of," said John Wallace, a State Department employee who lost a brother-in-law and sister-in-law in the crash. Mr. Wallace said Swissair had flown in relatives from around the country for the event, engaged caterers and even had people take them shopping to get appropriate clothing.

This dramatic change is not simply a reflection of Canadian hospitality and Swiss attention to detail, although those surely are factors. It also follows a change in U.S. aviation law.

After returning to Washington from his visit with the TWA families, Mr. Clinton was persuaded to set in motion a series of events that led to legislation putting the National Transportation Safety Board in charge of coordinating assistance to the families of crash victims and requiring all airlines operating in the United States to have an approved family assistance plan.

The Swissair crash is the second major accident to occur since those mandates took effect. The first was the crash of a Korean Airlines plane last year on Guam.

About 1,000 employees of Delta Air Lines, Swissair's U.S. partner, had

See SWISSAIR, Page 2

AGENDA

Russians to Meet on Ruble and Economy

MOSCOW (Reuters) — The new government of Russia will present proposals on Monday aimed at stabilizing the ruble after recent alarming plummets, and will have an economic program ready by the end of the week, First Deputy Prime Minister Yuri Maslyukov said Sunday.

Mr. Maslyukov, appointed by Prime Minister Yevgeni Primakov to oversee the economy, made the re-

mark on the independent Moscow radio station Echo Moskvy.

Mr. Primakov has still to determine his economic policies. He and President Boris Yeltsin have pledged to adhere to market reforms. But Mr. Maslyukov's appointment and that of Viktor Gerashchenko as central bank chairman have raised concern among some liberal politicians of a return to Soviet-style economics. Page 4.

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Shooting in Tehran Increases Tensions

A burst of gunfire through the office window of an influential official, Mohsen Rafiqdoostan, added to tensions in Tehran as the government stepped up its verbal campaign against the Islamic Taliban movement across the border in Afghanistan over diplomats' deaths. The Iranian official survived the attack. Page 8.

Conflicting Reports

There are more than a few conflicts between Starr's report and the White House response. Page 11.

Why Did He Risk It?

It remains unclear why President Clinton took us with Monica Lewinsky. Page 10.

Lurid revelations engross the international press. Page 9.

The president should not lose his job, says Maureen Dowd; Richard Cohen denounces a "medieval" inquiry. Page 12.

Millions access Web sites to read the report. Page 15.

Republicans Are Angered By Clinton's Vow to Fight

White House Builds Its Case

By Brian Knowlton
International Herald Tribune



Senator Lott is urging president to "consider a cooperative process."

In Rebuttal, No Grounds To Impeach'

By Dan Balz
Washington Post Service

WASHINGTON — President Bill Clinton's lawyers have issued a scathing rebuttal to the independent counsel's report to Congress about the president's relationship with Monica Lewinsky, denouncing it as "pornographic" and a "hit-and-run smear campaign" whose legal foundation is so weak "that no prosecutor" would present it "to any jury."

The White House rebuttal Saturday acknowledged repeatedly that Mr. Clinton's relationship with Ms. Lewinsky was wrong, but it concluded with a series of declarations that underscored the president's statement Friday that he would ask his lawyers to mount a vigorous defense in his behalf.

"The president did not commit perjury," the White House response stated. "He did not obstruct justice. He did not tamper with witnesses. And he did not abuse the power of the office of the presidency."

The 42-page response to Mr. Starr's report was the second in as many days from Mr. Clinton's lawyers rebuffing the independent counsel's voluminous document saying there was "substantial and credible" evidence of potentially impeachable offenses in 11 areas, including perjury, obstruction of justice and abuse of power.

Mr. Clinton's lawyers sought to demolish those findings, claiming that the Starr report was in reality "a portrait of biased recounting, skewed analysis and unconstitutional overreaching" that fell far short of establishing the constitutional grounds for impeachment.

Repeating a claim made Friday, the president's lawyers — his private attorney, David Kendall, and the White House counsel's office — argued that Mr. Starr had piled up lurid details of the sexual encounters between the president and Ms. Lewinsky in areas just off the Oval Office to "cause pain" to the president and to cover up the weakness of Mr. Starr's legal grounds for impeachment.

The White House report denied that Mr. Clinton had perjured himself in his Jan. 17 deposition in the Paula Jones case or in his Aug. 17 testimony before Mr. Starr's grand jury, repeating the lawyers' claim that "a witness who gave narrow answers to ambiguous questions" about sex had not met the legal grounds of lying under oath on questions of whether he had a sexual relationship with Ms. Lewinsky, whether they had ever been alone together and whether they had exchanged gifts.

The president spoke in good faith, the response said, when he concluded that

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quick resolution to the crisis facing the Clinton presidency was unlikely. And that is causing anguish not only in Washington and across the United States, but in capitals around the world as foreign leaders watch in dismay as the executive leadership of an economic and military superpower is forced to focus on an impeachment debate at home rather than the collapse of economies in Asia and Russia, or the bloodshed in Kosovo or Congo.

Mr. Lott was asked by a television interviewer whether the House Judiciary Committee was likely to open impeachment hearings after it completes a study of the Starr report. "Unless something changes," he said on Fox-TV, "I don't see how they avoid it."

That could change, Mr. Lott said, if Mr. Clinton would drop his legal defense, "consider a cooperative process, and see if there's some way this could be brought to a conclusion sooner rather than later" — an apparent allusion to a possible congressional censure of Mr. Clinton.

But Mr. Lott added that if Mr. Clinton dismissed the 445-page Starr report as "just a smear, that doesn't help."

The second-ranking Republican in the House, Tom DeLay of Texas, echoed Mr. Lott's comment. Mr. Clinton's recent apologies for the sexual

relationship he had with Monica Lewinsky, and his efforts to cover it up, were not enough, he said.

"To get this behind him," said Mr. DeLay, long a fierce critic of the president, "he has to confess what he did and accept the consequences of his action."

Mr. DeLay said that if Mr. Clinton

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Narrow Choice of Options for President

Quick Steps Seem Unlikely While Waiting for Public Opinion to Form

By R. W. Apple Jr.
New York Times Service

WASHINGTON — As President Bill Clinton starts down a fateful road with many forks, he will want to walk as slowly as he can.

It would be surprising if he made definitive decisions quickly.

Public opinion coalesces only slowly, and public opinion will ultimately prove sovereign. It will guide Congress in its deliberations, as well as the president, but its shape may not be completely clear for a week or more.

A first option open to the president is an effort to strike a deal with the Republican congressional leadership that

would cut short the bruising legal pro-

cess that looms ahead by agreeing to a censure or reprimand. His lawyers bobbed and weaved on that possibility Friday, but they did not rule it out.

Not much was said about the possibility on Capitol Hill this weekend, partly because it is not clear who could

deliver the House for a deal. Certainly, it would need the backing of Speaker Newt Gingrich. But even with his support, it would be no cinch; the Republican ranks are full of hard-edged conservatives — some call them Clinton-haters — who want impeachment to move ahead.

Nonetheless, a White House aide said over the weekend that an approach to

Congress was under active if informal consideration. He said Mr. Clinton was desperate to avoid becoming the third president (after Andrew Johnson and Richard Nixon) to face impeachment proceedings and the second, after Mr. Nixon, drove from office.

The subject of an early presidential resignation, said Senator Bob Kerrey, Democrat of Nebraska recently, is boggling "right below the surface."

It is indeed a topic under intense discussion by politicians and other members of the chattering classes in the capital, premature though that may be. It is clearly an eventual option, but not an attractive one quite yet.

See OPTIONS, Page 9

A History of Adjusting to Predicaments

By David Maraniss
Washington Post Service

WASHINGTON — There is a surreal scene on Page 242 of the Starr report where President Bill Clinton is offering several false or misleading explanations to a White House assistant a few hours after the Monica Lewinsky story broke Jan. 21.

Mr. Clinton asserts he has "done nothing wrong," had talked to Ms. Lewinsky perhaps once on the telephone, and that she "made a sexual demand" on him but he rebuffed her. She had threatened him, he said, was "known as a stalker" among her peers, and would not leave him alone.

After making this sweeping declaration of innocence to his aide, Sidney Blumenthal, a former journalist steeped in politics, literature and conspiracy theories, Mr. Clinton compares himself to Nicholas Rubashov, the protagonist in an Arthur Koestler novel who is imprisoned and eventually executed on false charges, a victim of the monstrous powers of a police state.

"I feel like somebody who is surrounded by an oppressive force that is creating a lie about me and I can't get the truth out," Mr. Clinton says. "I feel like the character in the novel 'Darkness at Noon.'"

In avoiding blame for his troubles and comparing himself to Rubashov, Mr.

Clinton evoked many of the characteristics that are a familiar part of his history: his fertile literary imagination, his sense of victimhood, his desire to please, his need to conceal his own embarrassing sexual behavior, his tendency toward self-delusion, his legitimate concerns about the invasive powers of his adversaries and his peculiar manipulation of semantics to construct a story line at once compelling and illusory.

The 453-page report by the Office of Independent Counsel is replete with scenes of Mr. Clinton's adjusting to his predicament in similar ways. He might be talking almost anywhere to anyone — in the White House with an assistant, on television addressing the nation, in the Oval Office flirting with Ms. Lewinsky, in the outer office refreshing the memory of his secretary, Betty Currie.

These behavior patterns are at the core of the case against the president, and also, paradoxically, at the heart of his defense. The implicit but unstated theme of the legal and political debate that imperils his stay in office is this: Should Bill Clinton be impeached for being Bill Clinton?

From the perspective of the president's biography, the Starr report in many respects seems to be plowing another path down a well-worn field.

See BEHAVIOR, Page 10



Kenneth Starr, the independent counsel, chatting Sunday with one of the U.S. marshals who serves in the security detail at his Virginia home.

Edge of a Boom / Austerity Begins to Pay Off in Maputo

The Secret to Mozambique's Potential Success

By Donald G. McNeil Jr.
New York Times Service

MAZAPUTO, Mozambique — Mozambique's monasteries to faded crabs are still pretty shabby. The bulking left from the days of Portuguese colonialism is a wreck. The grass around the memorials on the Avenue of Popular War goes untrimmed, and corn planted by starving urbanites still sprouts in parks.

The children sitting in classrooms on the concrete floors scuffed smooth by their bare, sandy feet could as easily be in Cuba or anywhere else where tropical breezes let socialist decay creep through less harshly than it did in Eastern Europe.

But to anyone who has been here awhile, this is a boom town where investors are filling plans for hydroelectric plants, offshore gas fields, aluminum, titanium and steel smelters and highways. A South African supermarket chain has built a mall near the border. An old colonial manse is now the office of an international bank — and the Soviet-bloc-style apartment tower overlooking its backyard pool has satellite dishes in windows where once only laundry hung.

"When I came here nine years ago there were no traffic jams," said Juliet Born, a program adviser for the U.S. Agency for International Development, "because there wasn't a car or bus on the streets. The shops were empty. There were sidewalk cafes with waiters in them, but nothing to serve. They had no coffee, no tea, no milk, no sugar."

Now Maputo, the capital, has three luxury hotels and several restaurants overcharging for Mozambique's famously huge prawns.

The boom, thus far, is just a tiny beginning in a country that still vies for the title of world's poorest. The gross domestic product per person is \$152 per year. (In next-door South Africa it is about \$3,000; in the United States it is about \$28,000.)

Still, the economy grew 14 percent last year, while South Africa's grew less than 2 percent. Inflation has dropped to 6 percent, from 70 percent in 1994.

"The IMF and World Bank are very happy with Mozambique," said Marco Pinon Farah, the resident representative of the International Monetary Fund, one of the country's chief creditors. "But of course, 14 percent of nothing is still nothing."

Mozambique is considered a torchbearer of the African renaissance, a favorite of Western bankers who like strict economic management imposed on poor debtor nations.

In the first Africa Competitiveness Report, released at a World Economic Forum summit meeting in May, it topped the optimism index and was fourth in overall improvement between 1992 and 1997.

But the new Mozambique's role in the world economy is still much like its colonial one: being exploited by foreign buyers for raw materials. In his speech at the May summit meeting, President Jos-

BY THE NUMBERS**Mozambique**

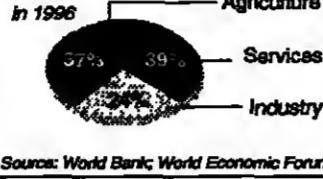
Mozambique, one of the world's poorest countries, has an economy that has grown 14 percent in the last year. South Africa.

Mozambique's neighbor, leads the way in foreign investment.

FOREIGN INVESTMENT

(1997, in millions)

South Africa	\$869.0
Portugal	14.6
Britain	1.9
United States	1.0

GDP PER CAPITA

Source: World Bank, World Economic Forum



billion aluminum smelter that will eventually employ 900 people. Mozal, the British-South African company that is building it, got a big tax break; it will never pay more than 1 percent of sales. That will keep smelting costs down to \$800 a ton, said Roger Barbour, the chairman — well below the \$1,300 a ton that aluminum sells for in today's depressed market.

Euro Corp., based in Houston, is planning to spend \$2 billion on a steel smelter using inexpensive Mozambican electricity and South African ore.

Arco Corp. is spending \$90 million to explore gas fields and may invest \$1.5 billion to pipe the gas to South Africa, where it will be turned into synthetic diesel fuel.

Deals to smelt titanium sands, dig coal, rebuild sugar refineries, expand breweries and game reserves and beach resorts along the 1,300 miles (2,080 kilometers) of pristine Indian Ocean coast are in the works.

Now the government has to fret about how the economy will absorb a quick \$5 billion without rekindling inflation. "I'd rather take the risk than have what we had before," said Mahomed Rafique, vice minister of tourism, commerce and industry. "That worry is for those guys on Wall Street doing exercises."

The U.S. Treasury secretary, Robert Rubin, visited Mozambique on July 16 and met with top government officials, essentially to give official U.S. encouragement to the retooling of the economy from socialism to free enterprise.

"I was very impressed with the program they described," he said. "Especially with the focus on things like eliminating red tape, improving the judicial system, creating initiatives to attract business and maintaining macroeconomic stability."

About 850 state-owned businesses have been sold. Probably more important, the rural economy has been freed. Farmers even in the remotest villages once had to sell to government buyers at government prices, and starvation threatened, especially in drought years. Now, even with the return of nearly 2 million war refugees, the country is self-sufficient in food.

Because it is doing so well, Western lenders and the former Soviet bloc, to which it owes billions, plan to cancel about 80 percent of its debt.

But severe constraints on the economy remain. About 60 percent of Mozambique's adults are illiterate. The justice system is painfully slow, and red tape is cumbersome. It can take more than 100 legal steps to open a business.

Mr. Chissano, a modest and cheerful leader with a deep interest in transcendental meditation, seems aware of how much more his country needs. Although he was the co-chairman of the World Economic Forum meeting in May, his tone with the hundreds of business people before him was almost supplicatory.

"I say this knowing you want to help us," he said. "Please help make our people a bit happier. We still have a big amount of poverty in Mozambique despite what you call our successes."

John Holliman, CNN Reporter At '91 Baghdad Bombing, Dies

New York Times Service

John Holliman, 49, a CNN correspondent who was one of only three journalists to broadcast live coverage of the 1991 bombing of Baghdad, died Saturday from injuries sustained in a car accident.

The accident occurred near his home in Suellville, Georgia, as Mr. Holliman tried to pass a car in a no-passing lane, striking an oncoming pickup, according to CNN and The Associated Press.

"He was the quintessential journalist reporter, always enthusiastic and ready to cover anything," said Peter Arnett, a CNN correspondent who along with Mr. Holliman and Bernard Shaw, a CNN anchor, were the only three journalists to report live from Baghdad on the air raids on Iraq's capital city during the Gulf War.

Mr. Holliman joined CNN's original

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reporting team in 1980 and was the network's first Washington correspondent. He also covered the 1989 student uprisings in Beijing. From 1974 to 1980, Mr. Holliman wrote and filed radio dispatches for The Associated Press.

"John Holliman was one of a kind, a CNN original," said Tom Johnson, CNN's News Group chairman. "As one of the boys of Baghdad, he showed great courage reporting as allied bombs fell all around him."

Bob Dixon, 87, TV Cowboy

NEW YORK (NYT) — Bob Dixon, 87, a longtime broadcast announcer who had an unlikely start as a Connecticut-bred television cowboy, died Aug. 22 at a nursing home in Bethel, Connecticut.

To the children who tuned into CBS from 1949 to 1951 to watch the shoot-'em-up movie westerns that were the late afternoon rage of the early television day, "Sheriff Bob Dixon" was cowboy personified: a tall, rangy man in authentic Western gear and with a resonant twang that fairly shone Wyoming as he introduced the movies and schooled his young audiences on the nuances of saddles, bridles and shooting irons.

As the host of "The Chuck Wagon," on WCBS-TV in New York and later "The Chuck Wagon Playhouse" on the CBS network, Mr. Dixon became almost as famous as Roy Rogers, Gene Autry and Hopalong Cassidy.

Rabbi Sender Deutsch, 76

NEW YORK (NYT) — Rabbi Sender Deutsch, 76, a leader of one of the largest Hasidic Jewish groups in the United States and the chief editor and publisher of Der Yid, a Yiddish-language weekly, died Sept. 2 at Mount Sinai Medical Center in Brooklyn of liver cancer.

At his death, Mr. Deutsch was vice president of the Brooklyn Satmar group, one of the two leading international Hasidic communities. He had held his Der Yid post since he founded the newspaper 40 years ago.

TRAVEL UPDATE**Northwest Strike Ends****As Pilots Ratify Pact**

ST. PAUL, Minnesota (AP) — Leaders of striking pilots at Northwest Airlines ratified a four-year contract, ending a walkout that had grounded planes since Aug. 28.

"Northwest pilots may now return to work," said Steve Zoller, chairman of the 17-member pilots' executive council, which ratified the agreement Saturday that gives pilots a 12 percent pay increase over the life of the contract.

The executive council could have deferred a decision to a vote by the 6,200 pilots of Northwest. Instead, it approved a tentative agreement that had been announced Thursday.

Northwest immediately began contacting all 31,000 employees that had been temporarily laid off, and executives said the airline should have one-fourth of its schedule in operation by Wednesday. The airline expects service to be fully restored by Sept. 21.

Northwest previously canceled all flights through Tuesday and all European and Asian flights through Wednesday.

"The strike is over, and that's what we needed," said Ben Hirst, the top negotiator for Northwest. "The strike was a disaster for everyone involved."

In addition to the salary increase, Mr. Zoller said, pilots won the phasing out of a two-tier wage scale that pays new hires at a lower rate. They also received stock options and profit sharing, he said.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Nicaragua

TUESDAY: Costa Rica, El Salvador, Guatemala, Honduras, Japan, Nicaragua, Slovakia.

WEDNESDAY: Mexico.

THURSDAY: Angola.

FRIDAY: Bahrain, Chile, Israel, Saudi Arabia.

SATURDAY: Chile.

SOURCE: J.P. Morgan, Bloomberg, Reuters.

The Way We Laughed

Wins Venice Film Prize

The Associated Press

VENICE — The Italian film "The Way We Laughed," the bittersweet story of two brothers from Sicily who move to the industrial north, won the Golden Lion Award on Sunday at the 55th Venice Film Festival.

The jury gave a surprise lifetime achievement award to Warren Beatty, whose "Bulwark," a satire about race, class, power, money and media was considered a top Golden Lion contender.

Sean Penn won the best actor award for "Hurrybully," while the best actress award went to Catherine Deneuve for "Place Vendôme."

"I say this knowing you want to help us," he said. "Please help make our people a bit happier. We still have a big amount of poverty in Mozambique despite what you call our successes."

SWISSAIR: Families Laud Airline

Continued from Page 1

volunteered for its crisis team, and several hundred of them formed the backbone of the early-response team at New York's Kennedy International Airport and later in Halifax. Under Delta's family assistance plan, the Delta employees had each received training in everything from grief counseling to media relations to the mechanics of releasing passenger lists and contacting relatives.

Delta invited families of victims from previous crashes to offer suggestions and consulted other airlines about painful lessons learned from past debacles. (One from the TWA crash: Don't serve liquor in the lounges where family members wait for news about their loved ones.)

Swissair officials, meanwhile, recruited their own volunteers and assigned them as caregivers to each family. A special phone system and Website for the families was in place as dawn broke the morning after the crash. The airline's president, Jeff Katz, huddled with some of the European families on the special flight from Zurich, then met with most others as they arrived in Halifax and offered to call back.

Government investigators into the Swissair crash also get high marks from families and air crash experts. Not only did the Canadian military undertake the biggest search effort in its history, but local officials were quick to accommodate family requests to visit Peggy's Cove and view personal effects that had been recovered. And they have taken great care to brief family members at least once a day before giving information to the media.

One official who seems to have become a folk hero of sorts — not just to the families but to Canadians watching his daily briefings on the CBC — is John Butt, Nova Scotia's top medical examiner, a plain-spoken pathologist.

Mr. Butt moved quickly to ease the families' legal burdens by issuing "presumptive" death certificates, even though it would be months before he could identify many of the remains. He even brought in an orthodox Jewish pathologist to advise him on special procedures required for handling the remains of several Orthodox Jews on Flight 111.

Swissair Pilots May Have Been Misled by Data

By Anthony DePalma
New York Times Service

HALIFAX, Nova Scotia — Investigators hoping to unravel the mystery of what brought down Swissair 111 in a crash that killed all 229 people aboard believe the frantic pilots received false information from their instruments just before the jet slammed into the Atlantic Ocean on Sept. 2.

"Data used by the aircraft and by the flight crew to operate the aircraft was progressively becoming unreliable in the last minute before the flight data recorder stopped," said John Maxwell, director of air investigations for the Transportation Safety Board of Canada.

What is not yet clear, Mr. Maxwell said, is whether the problems that appear on the flight data recorder at the time the pilot first reported trouble were caused by the jet's subsystems or by other problems that affected those systems.

Mr. Maxwell made his comments in Ottawa on Saturday at a news conference in which he announced that the second "black box" from Flight 111, which was recovered by navy divers on Friday night, was undamaged and contained the full 20 minutes of cockpit conversation that can be recorded on the closed loop of tape.

The first box, recovered Sept. 6, contains technical information about conditions on the jet. Mr. Maxwell would not say whether the second recorder was running during the final six minutes of the flight. Both boxes were found near the tail of the plane, far from the cockpit, which filled with smoke and showed evidence of what investigators called "heat stress."

WEATHER

Europe

Forecast for Tuesday through Thursday, as provided by AccuWeather.com

Mostly sunny and very
windy with rain in London
and Scotland on Tuesday and
Wednesday, but a cold
front will bring thunderstorms
Thursday. Thunderstorms
will likely from northern Italy
through Southeast Europe.

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EUROPE

Now What? Primakov Seeks Path Out of Russian Quagmire

By Celestine Bohlen
New York Times Service

MOSCOW — Winning approval from Russia's strident, stubborn Parliament turned out to be an easy day's work for Russia's new prime minister, Yevgeny Primakov, the savvy diplomat who has made a career of playing both ends against the middle.

Now comes the hard part for the former journalist, scholar, intelligence

chief and foreign minister as he starts sorting through the piles of conflicting economic plans and emergency measures that he inherited.

Yuri Luzhkov, the mayor of Moscow who is a presidential contender, weighed in with proposals Saturday that include reversing Russia's privatization program, indicting bankers and financial speculators, easing tariffs and lowering taxes.

Eveo the former Soviet president and

Communist Party chief, Mikhail Gorbachev — who promoted the careers of Mr. Primakov and his first two cabinet appointees — came up with his own blueprint to rescue Russia, pegged to an international plan to guarantee Russians' private savings deposits.

And then there are three existing economic programs — one from Parliament's lower house that bears the im-

print of Yury Maslyukov, a Communist who was Mr. Primakov's first choice for the new cabinet. The second was written by Boris Fyodorov, an advocate of Western-style free enterprise who is still clinging to his top government job.

The third was issued last week by the Security Council, whose chairman, Andrei Kokoshin, is awaiting a new appointment.

The ideas set before Mr. Primakov would make good fodder for an academic

seminar. They include establishing a currency board to impose strict discipline on the money supply, allocating a generous infusion of new rubles to prop up ailing industries, canceling a month-old moratorium on commercial loans and recirculating short-term treasury bills.

On the eve of his confirmation vote, Mr. Primakov endorsed two appointments — Mr. Maslyukov as first deputy prime minister, and Viktor Gerashchenko, a Soviet-era banker who has been renamed chairman of the central bank.

The appointments signaled a tilt toward Parliament's socialist-style program with its generous package of credits and other help to prop up an inefficient industry and agriculture.

According to Western and Russian liberal economists, such a path would put Russia right back on the road to hyperinflation, a course that took three years of tight monetary policy to correct.

But until Mr. Primakov names his choice for Russia's next economic policy planner — a position that still hung in the balance as the new team started work this weekend — it is unclear whether the first appointments are a true harbinger.

They could be merely an artful tactic intended to bring the Communist opposition into the government, where it will have to embrace what sooner or later will prove to be politically unpopular.

Either way, the face of Russia's government has already changed.

The young free-marketers whose policies and personalities had become anathema to the opposition are gone, and millions of Russians' standard of living has dropped below poverty level during the last seven years.

To Russia's Western advisers, the departure of these people will set the clock back on Russia's economic transformations half a decade, if not more.

"Sensible people are going to stay away," said Anders Aslund, senior analyst with the Carnegie Endowment for International Peace, who has been an adviser to Russia's nonsocialist governments.

"It is the old Soviet government coming back again."

These concerns were echoed Saturday on the front page of The Inde-



Yuri Maslyukov, a Soviet economic planner, now a Primakov deputy.

pendent newspaper by its editor, Vitali Tretyakov, who has been a consistently harsh critic of Russia's young free-enterprise proponents.

He hailed Mr. Primakov as the embodiment of the consensus that Russia so desperately needs.

"It is important, of course, that the place of the unsuccessful 'new Russians' should not be given over to unsuccessful 'old Soviets,'" Mr. Tretyakov wrote. "Renewal should not be turned into restoration."

But as political analysts combed through Mr. Primakov's brief statement Friday for a clue to his economic policy, most agreed that the biggest loser in this week's sudden resolution of Russia's two-and-a-half-week-long political stalemate was President Boris Yeltsin, who Saturday dismissed his spokesman, Sergei Yastrzhembsky.

"The End of an Epoch," read a headline in the daily newspaper *Kommersant* above a picture of Mr. Yeltsin, who looked tired.

In his attempts to rescue the candidacy of the acting prime minister, Viktor Chernomyrdin, Mr. Yeltsin offered concessions to his opposition, including ceding some of the considerable powers of the presidency, the article noted.

When these were rejected, Mr. Yeltsin faced no choice but to back down and name a new candidate, who seems ready to give the opposition a direct say on policy.

Albania Leader Flees Riots After A Foe's Slaying

The Associated Press

TIRANA, Albania — Angered by the slaying of an opposition deputy, crowds stormed the main government building Sunday, setting it on fire and sending Prime Minister Fatos Nano and his ministers fleeing in a hail of gunfire.

A protester was killed and four of the prime minister's guards were wounded as marchers and the police traded gunshots. Clouds of smoke from burning cars rose over the center of this former Communist capital.

Azem Hajdari, 35, a popular politician, was shot and killed Saturday in front of the opposition Democratic Party headquarters.

Former President Sali Berisha, who was ousted last year by a Socialist-led coalition, urged his followers to remain calm until Mr. Hajdari's funeral on Monday. Mr. Hajdari was one of Mr. Berisha's chief deputies.

Mr. Berisha blamed Mr. Nano's Socialist Party for the killing and warned him to resign within 24 hours or face "catastrophic consequences."

Mr. Berisha's followers, some weeping in grief, chanted, "Kill, kill, kill, kill Fatos Nano!"

Elsewhere, witnesses said Mr. Berisha's followers blocked the national highway with barricades and flaming tires and seized the police station at



Democratic Party supporters rioting Sunday in Tirana outside the prime minister's office before setting it on fire.

Kavaja, 30 kilometers (18 miles) southwest of Tirana. The violence raised fears of a repeat of the 1997 nationwide riots that swept Albania after the collapse of pyramid investment schemes that cost many citizens their life savings.

Mr. Hajdari was mortally wounded by gunmen firing from a car parked in front of Democratic Party headquarters. A bodyguard also was killed.

There was no immediate claim of responsibility. But Mr. Berisha blamed

Mr. Nano's party, and at a rally Sunday he warned that the opposition would use "all means" to force him out.

After Mr. Berisha issued his ultimatum, 1,500 of his followers marched to the Interior Ministry, firing pistols in the air and pelting the building with stones.

Montenegro Expels Refugees

Montenegro expelled Kosovo Albanian refugees to Albania on Sunday, saying it was unable to cope with the

influx of stricken families, the FoNet press agency reported, according to a Reuters dispatch from Belgrade.

Three thousand Kosovo Albanians were being sent by bus across the border, which is normally sealed, at an unofficial crossing at Vraca.

Diplomats and aid workers in Kosovo reported that Serbian forces drove thousands of Kosovo Albanians from their villages in the west of the province last week and burned their homes.

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West Holds Breath Awaiting Bosnia Moderate's Showing in Vote

By Mike O'Connor
New York Times Service

BANJA LUKA, Bosnia-Herzegovina — Bosnia voted over the weekend in elections that were the most tension-free since the war, and in many ways the most important.

All offices above the level of municipal council were at stake.

Beyond that, for the first time since the 43-month war, there is a real contest between the still very powerful nationalist forces who led this country to disaster and more moderate politicians backed by the West and a growing number of Bosnians who want to end strife.

The outcome of the balloting — the second national elections since the war ended in 1995 — is crucial to Western peace efforts. If Bosnian Serb hardliners were to defeat the politician the West considers key to its strategy for

stabilizing Bosnia, many diplomats say, Western efforts would, for all practical purposes, have failed.

"We may have little alternative to scaling back our efforts to something modest, for the sake of appearance and to keep a lid on another war, while we turn our attention to problems elsewhere," said a ranking European diplomat.

The politician in question, the Bosnian Serb president, Biljana Plavšić, is in a tight race against a hard-line nationalist coalition. Even if she retains her office, she could still lose room to cooperate with the West if her opponents get a majority in the Bosnian Serb legislature.

The prospect of drastically scaling back a massive reform project by Western governments — with Washington supplying the single greatest amount of money, troops, diplomats and technical experts — may reflect on the limits of diplomacy as well as the difficulties of

imposing changes in the Balkans.

Most foreign officials involved in the effort in Bosnia say that great progress has been made but warn that the country would begin to slide back toward disaster if the current level of international pressure is reduced.

Some international officials here say one election defeat could not stop Western efforts or break the growing spirit of reconciliation in many Bosnians. But many Western diplomats say they doubt their governments would have either the stamina for or the interest in a continued large-scale operation if they are handed a serious debacle like a political comeback by hard-line Bosnian Serbs.

The elections Saturday and Sunday — with first results expected Tuesday — were for both halves of the country, the Bosnian Serb republic and the Muslim-Croat Federation.

But the office the West considers the

most important is held by Mrs. Plavšić, president of the Bosnian Serb half of Republika Srpska.

Mrs. Plavšić, with much Western help, has wrested power from a hard-line party founded by Radovan Karadžić, a war crimes suspect and the wartime leader of the Bosnian Serbs. In the last year, with Western backing, she was able to name a prime minister and other officials who were far more cooperative in implementing Western policies and easing tensions among Serbs, Muslims and Croats.

The strategy of the West has been to marginalize hard-line nationalist political leaders of all three ethnic groups. The more moderate nationalism of the current Bosnian Serb government has also toned down the rhetoric of many of the candidates in the Muslim-Croat Federation.

Mrs. Plavšić, an ardent nationalist who has swung toward pragmatic cooperation with the West in part because

the resulting flow of aid benefits Serbs, has moved the most toward becoming someone with whom foreign officials could work in their quest for a unified, democratic country.

Only that kind of Bosnia, foreign officials say, could protect ethnic minorities and enable more than 2 million people to return to the homes from which they were expelled during the war.

But with her hard-line opponents running very close to her in opinion surveys and a large number of undecided voters, her victory was in question.

Last year, when Mrs. Plavšić split from Mr. Karadžić and other Bosnian Serb politicians who started the war, her government suddenly became the favorite of international donors.

The previous Bosnian Serb government had been denied almost all aid in hopes the electorate would change the leaders. When rebuilding began in the other half of Bosnia, Republika Srpska remained an isolated place with almost no jobs, scarce electricity or water and an average monthly income of about \$50.

Under Mrs. Plavšić, matters changed almost immediately. The United States alone promised about \$75 million in aid this year. About a third of the budget of Republika Srpska, and much of the income of its citizens, comes from foreign countries, international officials say.

"We've played all the cards: the money, the advice, the pressure," a European official said. "We've done everything my country has learned to do in 200 years of meddling in other countries. I still wonder if it is enough to achieve what we want."

The 1995 Dayton accords, brokered by the United States in 1995, created a national government, overseen by a three-person presidency. In order to protect the interests of the principal ethnic groups, Serbs, Muslims and Croats each elect a member of the presidency. The national government also has a legislature.

Republika Srpska and the federation, called entities, each have a legislature and are semi-autonomous. The national government is restricted to matters such as foreign relations and international trade.

The main Muslim party, the Party of Democratic Action, is expected to easily return its candidate, Alija Izetbegović, to the presidency, and to retain control of the federal legislature.

Most Croats support the Croatian Democratic Union. It is dominated by nationalists opposed to unifying with the rest of Bosnia and by the ruling party in Croatia. Partly because of Western efforts, the union split this summer, when the Croatian member of the presidency, Krešimir Zubak, formed his own party. Mr. Zubak has taken a more moderate line. But while he was running for the presidency, his opponent, from his old party, was considered likely to win.

BRIEFLY

German Greens Pressed on Radical

BONN — The Greens faced pressure Sunday to dump a prominent politician who has admitted that he channeled money for years to a left-wing terrorist suspect.

The Free Democrats, a party in the governing coalition of Chancellor Helmut Kohl, urged the Greens to withdraw Daniel Cohn-Bendit, a former leftist radical, from his seat in the European Parliament. A lawmaker from the opposition Social Democrats had called for an inquiry into Mr. Cohn-Bendit's links with Hans-Joachim Klein, who was arrested in a French café last week after 22 years on the run. (AP)

Greek Cypriots Make Pilgrimage

NICOSIA — More than 1,200 Greek Cypriots made an emotionally charged pilgrimage to a remote Greek Orthodox monastery in the Turkish Cypriot section of the ethnically divided island of Cyprus on Sunday.

The monastery has special religious significance, but many of the Greek Cypriots appeared equally conscious of the political significance. "It signifies the desire of Greek Cypriots and Turkish Cypriots to mingle, even under controlled conditions," observed a Greek Cypriot judge. (Reuters)

Tuscan Police Find Gold in Flowerpots

ROME — The police confiscated 150 gold bars worth \$1.7 million hidden in flowerpots at the Tuscan villa of Licio Gelli, the leading white-collar fugitive in Italy.

Mr. Gelli was arrested in the French Riviera resort of Cannes on Thursday, four months after he had escaped from Italian justice. (Reuters)

For the Record

A major Austrian bank, Creditanstalt, said it had held "constructive" talks in New York to resolve claims by Holocaust survivors. (AP)

Dutch Shame On Srebrenica Resurfaces

By Marlise Simons
New York Times Service

AMSTERDAM — The Dutch like to think of themselves as model international citizens.

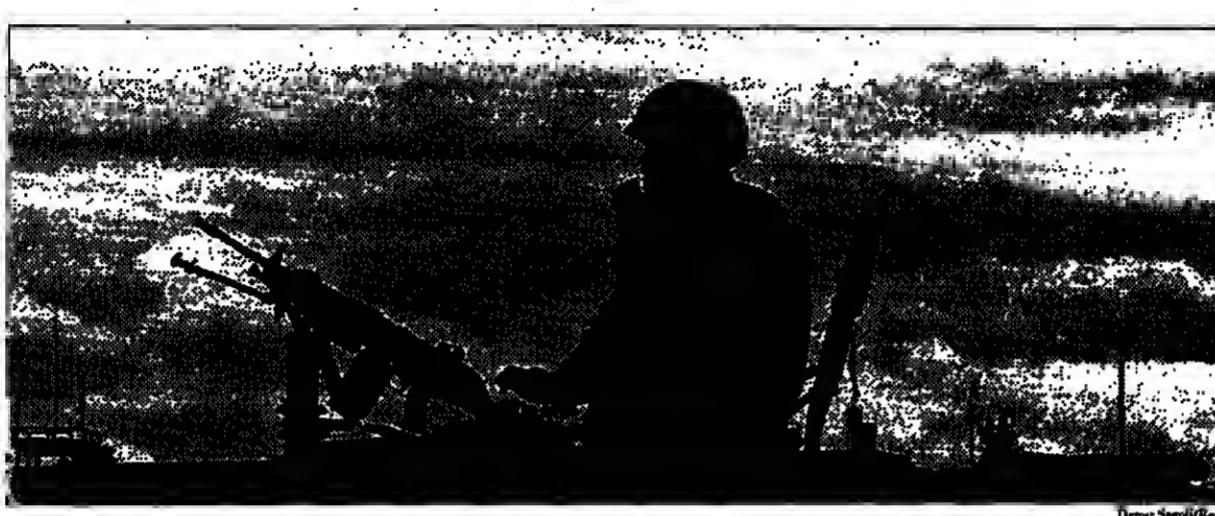
They are generous with foreign aid, they take in many refugees from far-off political conflicts and they play host to two world courts in The Hague. They also consider it their duty to take part in international peacekeeping operations.

Yet today the Dutch find this upstanding image of themselves tainted by a fresh wave of public accusations that their peacekeepers who served in the eastern Bosnian town of Srebrenica were witnesses and unwitting accomplices to the worst massacre of civilians in the Bosnian war.

The killing by Serbs of more than 7,000 unarmed Muslim men happened in July 1995. But the horror still haunts the Dutch. The lingering sense of anger and shame at their own role has surfaced again in recent weeks.

The fact that the Dutch soldiers were unable to prevent the killings in the enclave, which was under UN protection, was extensively reported at the time, and caused widespread distress here.

The main question asked here was: Could their soldiers have saved more lives? The Bosnian Serb soldiers carried out their organized killings almost without their organized killings almost with an earshot of the Dutch.



A U.S. soldier of the NATO-led peacekeeping force guarding a road near Brcko linking voting stations Sunday.

Investigations by the war crimes tribunal in The Hague and by the Dutch Defense Ministry cleared the Dutch peacekeepers of any wrongdoing.

The investigators reported that the Dutch contingent had been whittled down to 310 lightly armed soldiers who were short of fuel, vehicles and ammunition and, overrun by the Bosnian Serbs, could no longer protect tens of thousands of refugees. Also, air cover promised by the North Atlantic Treaty Organization never materialized.

But this summer, fresh evidence appeared, providing new and, at times, disturbing details.

There was further outrage recently when two Dutch tanks stolen by Bosnian Serbs in Srebrenica were identified among armor used in a Serbian offensive against ethnic Albanian villagers in Kosovo province.

The disclosure that has evoked most anger in the press and in Parliament was that on the night of July 11, 1995, as the Dutch peacekeepers were under Serb attack, one unit fled its post in a light tank and plowed through a cluster of armed Muslims who were trying to block their flight.

The tank ran over and crushed an unknown number of people, a Dutch television station reported, quoting an unidentified military official.

According to another news program, a critical report prepared by the Dutch military police, which included an unidentified military official.

Further, Ron Rutten, a peacekeeper, renewed his allegations that the Defense Ministry had deliberately bungled the development of his film showing nine

Muslim bodies by a stream in the so-called safe area.

The film, he said, was evidence that the killings began while the Dutch were still present. The photographs included images, he said, in which Dutch soldiers were seen helping the Serb military separate women and men. Many of the men were killed in the days that followed.

As in previous debates on the Srebrenica episode, newspapers and television broadcasts have been filled with angry commentaries.

They convey the message that the fall of Srebrenica, while not the defining event of the war, was its greatest single atrocity and that the Dutch, because of their presence in the area, bear part of the shame.

Srebrenica, the historian Jos Palm said, was the nation's "greatest postwar trauma."

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China's Hot Topic: Political Reform**As Jiang Loosens the Controls, an Open Debate Takes Off**By John Pomfret
Washington Post Service

BEIJING — Every Saturday in a cramped office on the northern outskirts of Beijing, a group of about 20 scholars, journalists, students, interested passersby and a secret agent or two gather to ponder big questions about China's future.

One recent week, they considered the necessity for major political reform. On another Saturday they cogitated on the course of China's economic reforms. Conclusion? China needs major political reform. Next week's topic? More political reform.

The sometimes rousing debates that erupt weekly in the 12th-floor offices of the China Development Union mirror scores of discussions all over China's capital these days — in research institutes, bookstores, universities and even the hallowed halls of the State Council and the Communist Party itself. For the first time since 1989, when a crackdown on student-led protests around Tiananmen Square silenced a generation clamoring for change, political reform is a hot topic in China.

A wide variety of scholars and activists credits President Jiang Zemin with allowing a loosening of the political straitjacket that choked off such debate in the years following June 4, 1989. Emerging from the shadow of Deng Xiaoping, China's senior leader who died last year, Mr. Jiang has worked to fashion an image of a kinder China: one open to reason and argument from the West.

Western diplomats contend that it has been Mr. Jiang's exposure to the Western world, most notably his weeklong stay in the United States last October for his first summit with President Bill Clinton, that has prompted him to at least tolerate debate on political change. Mr. Jiang's decision to allow Mr. Clinton to

speak live to the Chinese people twice during his return summit in late June was a prime example of the Chinese president's willingness to broach sensitive political subjects, they say.

China is also currently playing host to Mary Robinson, head of the United Nations Commission on Human Rights, in the first visit of a leading rights official from the world body to China — another sign of China's willingness to engage in a dialogue on delicate matters.

Others have argued that China's internal problems, its vast army of laid-off workers and the simmering discontent among its urban populace at ostentatious corruption have prompted the Communist Party to seek ways to let steam out of China's pressure cooker.

Merle Goldman, one of the preeminent scholars of China's dissident movement, wrote in a recent study that "if China's leaders have learned any lesson from June 4, it should be that gradual movement toward building political institutions" will give "a way to express their views so that they will not have to resort to destabilizing demonstrations and mass protests in order to air their grievances and get redress."

Despite the loosening, no one here believes that democracy is about to pop up in China. Chinese police still routinely arrest dissidents and hassle journalists. A Western observer, discussing the intellectual ferment in the capital, casually noted that he expected the Communist Party to dominate politics for the next 20 years.

Xu Youyu, a philosopher at the Chinese Academy of Social Sciences who recently published a treatise calling for liberalism in China acknowledged that he and his followers have no concrete program for political change in China. "It's too early," he said. Mr. Xu and other Chinese intellec-

tuals caution that the current freedom to debate has not surpassed the heady days of 1988 and early 1989 when change was in the air. Still, they acknowledge that 10 years of economic reforms and exposure to Western thought have transformed the Chinese.

The level of debate is more sophisticated. No longer are discussions modeled on Cultural Revolution struggle sessions where white is white and black is black; Chinese intellectuals are starting to embrace the grays of evolutionary change.

Hot topics these days revolve around the possible. In 1988, the talk was of splitting the government and the party. That soon died. These days the talk is of limiting and exposing police brutality — perhaps more attainable.

Ten years ago, some newspapers — like Shanghai's now defunct World Economic Herald — pushed the envelope under the protection of liberal party factions. These days the press is restless not so much because it is backed by political schemers but because editors realize that scoops sell papers.

A closer look at the China Development Union underscores some of the ambiguities of the current debate.

The organization is registered under the China Cultural Exchange Co., which, according to Chinese sources, is associated with the Ministry of State Security. Why would a research institute that appears to be advocating political change be linked with one of China's most feared organs of state control?

"There are three possibilities," said a Western observer. "Either it's a stooge for the government, a kind of 'Hundred Flowers' operation designed to lure out government critics so they can be identified. It also could be a real organization dedicated to political change. Then again it could be a combination, a little of both."



Anwar Ibrahim, the recently fired deputy prime minister of Malaysia, speaking to 10,000 people in Penang Province on the first stop of his nationwide tour.



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Ousted No. 2 Tours Malaysia to Cheers**Thousands Defy Law to Hear Him**By Thomas Fuller
International Herald Tribune

ALOR SETAR, Malaysia — There is a law in Malaysia that no more than four people can congregate in public without a police permit.

Anwar Ibrahim, who until two weeks ago was the country's second most powerful politician, clearly broke that law over the weekend, crisscrossing the country and greeting tens of thousands of supporters in what was his first trip outside the capital since being dismissed as deputy prime minister earlier this month.

"I think this is the beginning of something," said Wahab Long, a businessman who came to see Mr. Anwar speak in his hometown of Cerek Tok Kun, one of three stops on the former deputy prime minister's itinerary. "This is the beginning of not being afraid."

Prime Minister Mahathir bin Mohamad, who dismissed Mr. Anwar two weeks ago, has said that Mr. Anwar is courting arrest by giving night speeches to his supporters.

"If he disrupts public order, we will take action," Mr. Mahathir said Saturday.

That did not seem to hold back the crowds over the weekend. At Mr. Anwar's second stop on Saturday — a mosque and religious school in the northwest state of Kedah — mosque officials estimated the crowd at 60,000 to 80,000 people.

Mr. Anwar was hoarse and looked exhausted leaving the rally in the early hours of Sunday morning.

"They said I only have support in the urban quarters," he said, walking down the steps of the mosque. "This is a pure rural setting, and you can see the enthusiasm."

The turnout was all the more surprising because it took place in Mahathir territory: the mosque is just a few kilometers from the birthplace and constituency of the prime minister.

Thousands of supporters converged by car and motorcycle on the obscure religious school situated on a dark and narrow road far from any major town. Without any significant police presence or organization, supporters got stuck in heavy traffic and abandoned their cars in the middle of the road.

Guided often only by starlight, a crowd of thousands of people walked 8 kilometers (5 miles) in the dark, weaving to avoid the abandoned cars and motor scooters.

It was a somewhat surreal pilgrimage that had Mr. Anwar's wife, Wan Azizah, stumbling for words to describe it.

"I think this phenomenon is unseen before in Malaysia," she said, rolling down the window of car before leaving the mosque.

Mr. Amir, 26, a rice farmer from a nearby village, said most of the people he knows support Mr. Anwar. "Anwar has more credibility than Mahathir because of his knowledge of Islam," he said.

Until he was fired, Mr. Anwar was Mr. Mahathir's anointed successor. His sudden ouster two weeks ago on the grounds of "bad morals" left Mr. Mahathir, 73, without a clear successor.

Mr. Anwar is currently under investigation for a series of crimes including sedition and treason.

Many people who came to listen to Mr. Anwar speak said they could not believe that a man who was deputy prime minister of the country one day could all of a sudden be under investigation for so many allegations.

"If you accuse someone you must have strong evidence," said a civil servant attending the rally. "In the coffee shop people say this is nonsense." Mr. Mahathir said Saturday that Malaysians would understand why Mr. Anwar was dismissed as soon as Mr. Anwar's case is heard in court. "A lot more things will be exposed," he said.

BRIEFLY

Cambodians March in Protest

PHNOM PENH — Thousands of protesters calling for the removal of Prime Minister Hun Sen braved a heavy clampdown Sunday and marched through the capital to cheer from residents, who threw them food and honked car horns in support.

But as night fell, bursts of gunfire rang out in the vicinity of the U.S. Embassy, where many of the marchers had ended up. At least one man, a motorcycle driver, was hit in the leg by several bullets. The gunfire appeared to come from supporters of Mr. Hun Sen and their allies, the riot police.

The enthusiastic response for the protesters contrasted with indifference and muted insults given earlier in the day to a larger crowd of Hun Sen supporters. (AP)

Burma Activist Is Threatened

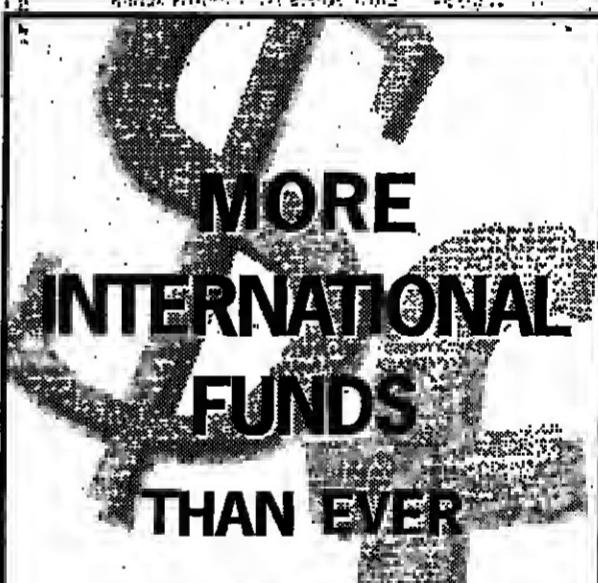
BANGKOK — The vice chairman of the National League for Democracy, the political party of the Burmese dissident Daw Aung San Souk Kyi, was threatened with arrest in an article that appeared in a government-run newspaper Sunday.

The New Light of Myanmar newspaper said that U Tin Oo had violated the terms of his 1995 parole from prison and would have to serve out the remainder of his sentence if he continued to violate laws.

The National League for Democracy said earlier this week that the military had arrested 702 of its members since May; more than half the arrests took place this week as the government sought to prevent the party from convening Parliament. The league won 82 percent of the seats in a 1990 election the military refused to honor. (AP)

For the Record

Water levels in Bangladesh dropped further on Sunday, taking more pressure off a key embankment protecting more than one million people on the eastern fringes of the capital, Dhaka, officials said. But the death toll after more than two months of flooding rose to 950 with 70 people believed drowned. (Reuters)



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INTERNATIONAL

Another Shooting in Tehran Adds to Tensions

By Douglas Jehl
New York Times Service

TEHRAN — Gunmen attempted to shoot a powerful Iranian official on Sunday, firing into his office window.

The shooting added to uneasiness as tensions mounted between Iran and Afghanistan over the slaying by Taliban troops of Iranian diplomats.

The official, Mohsen Rafiqdoust, was reported by Iranian news agencies to have escaped serious injury.

The gunmen opened fire from hills overlooking Mr. Rafiqdoust's office in a high-rise building, the headquarters of a state foundation aiding victims of the Iran-Iraq conflict in the early 1980s.

The attempt to kill the sometime head of the Revolutionary Guards was the

latest in a series of assaults on prominent Iranians, including the slaying last month of a former prison director, Asadollah Lajevardi.

At the same time, Iranian attention remained fixed on Afghanistan as the militant Islamic Taliban movement was reported to have captured the central Afghan city of Bamyan, the last major stronghold held by the Iranian-backed opposition militia.

At least nine Iranian diplomats were killed by Taliban fighters when the town of Mazar-i-Sharif was overrun last month. Iran warned that a Taliban victory in Bamyan might be followed by similar killings.

The Taliban leader, Mullah Mohammed Omar, sought to dispel such concern Sunday night, issuing a statement

saying that civilians would be free to leave Bamyan, the Afghan Islamic Press news agency reported.

But largely Shi'ite Muslim Iran, which has deployed tens of thousands of troops along the Afghan border, has not eased its threats to avenge the deaths of its diplomats.

Tehran has echoed accusations by international human rights groups that the Taliban, a purist Sunni Muslim militia force, may have killed large numbers of Shiite civilians.

Iran's top security body said Saturday that the country had the right to take "every appropriate action" to ensure peace and security.

The internal and external developments were given prominence on Iranian news broadcasts, which featured

video footage of a broken window in Mr. Rafiqdoust's office and claims by anti-Taliban forces that Pakistani warplanes had attacked Bamyan in part of the Taliban assault.

There was no clear link between the attack on Mr. Rafiqdoust and the tensions with Afghanistan.

No one had claimed responsibility for the assassination attempt by evening. But most of the recent terrorist attacks, including the murder of Mr. Lajevardi, have been carried out by a single Islamic opposition group, the Mujahidin Khalq.

Still, the latest attack, which targeted the heavily-guarded compound of Iran's richest and most powerful government foundation, could give new ammunition to Iranians pressing for retribution



Foreign Minister Ismail Cem of Turkey, left, meeting President Mohammad Khatami on Sunday in Tehran to begin three days of talks.

Commentators have asserted that such attacks could have been conducted only from the Taliban-controlled territory of Afghanistan, along the eastern frontier of Iran.

BRIEFLY

Saudi Crown Prince Begins World Tour

RIYADH — Crown Prince Abdullah ibn Abdulaziz traveled Sunday to London at the start of a world tour that will also take him to France, the United States, Japan, China, South Korea and Pakistan.

Prince Abdullah, in a departure statement carried by the official news agency SPA, said his tour would aim to clear up "misunderstandings over Islam, which rejects fanaticism and racism."

"What is happening today on the international and Islamic scene is very serious," said the prince, referring to acts of violence by Islamic militants. "The religion of more than one billion Muslims is in the dock."

(AFP)

Sailor Who Seized Sub Kills Himself

MOSCOW — An armed commando who seized a Russian nuclear-powered submarine after killing eight of his fellow crew members committed suicide late Friday night, the Defense Ministry said on Saturday.

A spokesman confirmed Russian news agency reports that the sailor, Alexander Kuzminykh, 19, killed himself at 11:45 P.M. Moscow time. He gave no further details.

Mr. Kuzminykh had barricaded himself in the torpedo room of the submarine at the Stalingrad base near the Arctic port of Murmansk on Friday morning.

(Reuters)

Amazon Fire Threat

RIO DE JANEIRO — A year after the Brazilian government dismissed studies warning that parts of the Amazon rain forest were becoming so dry they could burn uncontrollably, fires have become a greater threat than ever to areas of intact rain forest and to indigenous peoples, according to environmental groups that monitor the Amazon.

The fires are set by ranchers and farmers to clear land for grazing and planting, but are burning out of control at an alarming rate, environmental groups say, due in large part to the drying effect of El Niño.

Last year, 7,800 square miles (20,300 square kilometers) of Amazon rain forest caught fire, the Woods Hole Institute in Massachusetts said.

(NYT)

In Germany, a Business-Led Agenda

By Alan Cowell
New York Times Service

BONN — This country's most important election in decades will take place Sept. 27, and the striking thing is this: Whoever wins will inherit a land where the pace has already been set for them, not so much by politicians as by the barons of big business.

Almost nine years after the fall of the Berlin Wall, that is not entirely a surprise: As in the United States or Britain, ideology has lost its primacy, yielding to a contest among rival politicians to define and capture the post-ideological nature.

But in Germany, there is another departure as well. This has long been the land of the cartel, of compacts and con-

GERMANY: A Small Boost for Kohl

Continued from Page 1

During the campaign, Mr. Stoiber rarely uttered Mr. Kohl's name and emphasized his proud stewardship of Bavaria's flourishing economy. He touted Bavaria as "the champion of Germany" and stressed it enjoyed the country's lowest unemployment, highest investment in new technologies and the best education system.

Mr. Schroeder complimented Mr. Stoiber on his achievements and insisted that the Bavarian results should offer no consolation for Mr. Kohl because he had virtually no impact in the campaign.

"This was a state election that met my expectations if not my hopes," Mr. Schroeder said. "But I'm sure the result of the federal election will look different because the issue will be whether or not we want to keep a hummed-out chancellor in power."

The Christian Social Union has governed Bavaria with an absolute majority since 1962 and has been part of every

sensus that brought workers into the boardrooms and, at the same time, bound banks and businesses and politicians of all stripes in a sheltered economic web of enormous prosperity.

But the compact was underpinned by a huge and costly social network that gradually hampered Germany's competitiveness. And

these days, many large companies have simply decided to pursue their own interests within and beyond Germany's borders, often supplanting the politicians in framing the way Germans and foreigners alike perceive the German nation.

Consider, for example, U.S.-German relations, which were once propelled almost exclusively by Cold War se-

postwar government. Political com-

mentors said dropping below the 50 percent threshold would have dealt a crushing blow to the party's prestige and to Mr. Kohl's re-election chances.

But Mr. Stoiber's antagonistic relationship with the chancellor over the years leaves open doubts about whether Mr. Kohl will benefit personally from the Christian Social Union's victory.

Apart from his dismay about the demise of the Deutsche mark, the Bavarian leader has often disagreed with Mr. Kohl's government policies and has promoted himself as a potential successor.

Early returns showed the Greens would maintain their position as the state's third biggest party and score slightly above the 5 percent mark required to be represented in the assembly. The Free Democrats, who are allied with the Christian Democrats in the national government, fell to one of their worst-ever results and will hold no seats.

curity considerations; if Germany prospered, it was as an ally and a showcase of capitalism under the U.S. economic as well as nuclear umbrella.

But by May, the relationship had clearly taken on a new flavor: the takeover of Chrysler by Daimler-Benz showed a German assertiveness that had long been held in check. "This is clearly the result of the end of the Cold War and the globalized economy," a legislator in Bonn said.

The trans-Atlantic relationship, in which many politicians still tread gently as the deferential junior partner to Washington's military and political initiatives, has been retextured by the unmistakable whiff of German economic might. Key players in the New York publishing industry are owned by Germany's media giants; in recent years, German investment in the United States has created 600,000 American jobs and the figure is growing, according to the German Embassy in Washington.

In this land of export-driven prosperity, many companies have long seen their markets far beyond their borders. Bertelsmann, the media giant, does 70 percent of its business outside Germany; two-thirds of Daimler-Benz's annual revenue was earned outside Germany last year, and more than one-third of its stock is held by foreign investors.

Volkswagen now owns auto companies from the Czech Republic to Spain, BMW owns Britain's Rover and between the two of them, the companies just carved up Rolls-Royce and Bentley.

This, then, is the landscape in which Germany's politicians and business executives operate today — a landscape in which big business is far more prepared to take the initiative, leaving politicians to play catch-up.

German companies "are responding to the exigencies of the market and they are doing it rather late in the game," said Josef Joffe, a senior commentator at the newspaper *Suddeutsche Zeitung* in Munich.

But, he said, there was an underlying pattern: "Big business is separating from the state and proceeding on its own path. What these firms are saying is 'We are going to follow our own interests and therefore going our own way.'

Another way to look at the change is through the lens of European unity. This goal began as a politicians' dream, but today the vision is being realized by the money men. A vast single market is in place, and it moves toward a single currency in particular are inspiring German companies to seek economies of scale on a Europe-wide platform.

This, in turn, has led them to take a sometimes vocal stake in their new hosts' business — and politics.

When the German-owned Rover car company in Britain announced plans to reduce its work force by 1,500 people this summer, a German executive bluntly told the British government that the layoffs were a direct result of British economic policy, as if he had a rightful claim to a voice in shaping it. It was a claim no German statesman would have thought to make, at least in public.

It is no surprise, either, that, in all of Europe, Germany has made at stake in Russia's crisis. History and geography may condemn Berlin and Moscow to tug central Europe between them, but the bottom line this time really is a bottom line: German banks have some \$30 billion in state-guaranteed credits threatened by Russia's tailspin. That exposure — and Germany's reluctance to extend it — dominated German policy.

Of course, the exposure itself is a hangover from the close relationship between politicians and big money. In the early 1990s, Chancellor Helmut Kohl encouraged banks to lend in an overoptimistic effort to cement Russia's lurch into market-driven democracy. As a result, some 90 percent of the loans are backed by state guarantees.

But now, faced with the Russian meltdown, the bottom line has reassured itself. Without reforms in Moscow, Mr. Kohl said, "It will not be possible to mobilize money either from international financial organizations or from Germany."

And within Germany the likely consequences of Germany's international corporate have left politicians feeling queasy that, as a former auto executive remarked, "politics has lost the primacy."



A boy in Bavaria watching his father vote Sunday in Nesselwang. The state elections gave Chancellor Helmut Kohl a boost nationally.

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Can Clinton Survive? / The View From Abroad

Lurid Washington Scandal Provides More Grist for International

Compiled by Our Staff From Dispatches

LONDON — Newspapers around the world devoted extraordinary space Sunday to the crisis in Washington over lurid details of President Bill Clinton's encounters with former White House intern Monica Lewinsky.

Many editorial writers concluded that Mr. Clinton would remain in office, despite what the independent counsel Kenneth Starr says is a raft of impeachable offenses. "More than ever, the Comeback Kid seems determined to fight," the French weekly *Journal du Dimanche* headlined.

"More perhaps than any politician in history, he has the guile and stamina" to survive, opined The Sunday Telegraph of London. "But if he does, it will be a victory for the political art rather than a victory for honor."

In contrast, the English-language *South China Morning Post* in Hong Kong said that "the time has come for Bill Clinton to stop apologizing and resign himself to the fact that his fight for survival has reached its end."

Many abhorred the graphic detail in Mr. Starr's report. The major Japanese daily *Asahi Shimbun* called it "vivid and disgusting" and bemoaned the damage done to the U.S. president at a

time when world leadership is needed. "President Clinton's sex scandal has none of the political aspects of Watergate," the paper said, but concluded that "if this damages the credibility of American politics as well as the leadership of President Clinton, it can no longer be treated as a personal problem."

In an editorial titled "Hell is American," the French center-left daily *Le Monde*, which ran a 16-page supplement, called the Starr investigation a "new McCarthyism, in which the panicked fear of communism is replaced by the fear of sexuality."

It was the question weighed on editorial pages, in government offices and in on-line forums around the globe, as analysts sought to assess the impact of the Starr report on world markets, politics and psyche.

The salacious details of Mr. Clinton's exploits gave headline writers a field day. "Sex, Lies and Impeachment" and "Comeback Kid Plots Moves in Last Chance Saloon" were two of the headlines in *The Times* of London. "Cigar Sex, Phone Sex, Pizza Sex" read the triple-decker on the front page of *The Sun*, the most-read daily in Britain.

But much of the world's press and many international leaders approached



A young man in Beijing reading the coverage of the Starr report on Sunday in Beijing Youth Daily. The paper, posted on a billboard, was the only Chinese newspaper that published an article on the report.

the uproar with almost funeral somberness. In a season of international economic gloom, financial and political meltdown in Russia, heightened nuclear anxiety in South Asia, terrorism and war

in Africa and growing uncertainty about the future on every continent, many eyes had looked to the only remaining superpower to maintain some semblance of stability. Now that hope is diminished.

"There is no doubt that a weakened presidency, its energy to deal with global issues sapped, is bad news for the world," The Straits Times in Singapore said.

Chancellor Helmut Kohl of Germany, fighting for re-election, took time out from campaigning to warn: "It is of the utmost importance that the only world power fully live up to its duties."

The overriding concern for many is the potential impact of instability in Washington on already uneasy economies.

"Who can see clearly when a sexual virtuous item in the White House weighs more heavily on the markets than the economic achievements of whole countries and regions?" asked the largest daily newspaper in Hungary, *Nepszabadsag*.

And in Mexico, where the stock market and peso have reached all-time lows in the past several days, the Mexico City daily *La Jornada* — in an editorial headlined "Justice, morality, politics, business" — fretted that the Mexican economy could crumble even further because of "a very peculiar combination of a strict respect for justice, a hypocritical moral puritanism and the revenge of a sector of the right."

In Russia, which has a collapsing economy and a crippled government and

where men said to have legislative but ignored Even the three straightforward main newspaper

British tabloids were wallowing in *Ian Jefferson* Cll. ident of the United owned by the con Rupert Murdoch.

The scandal holds for some world lead Minister Keizo Obuchi, scheduled to make United States next w over the prospect of noring Mr. Obuchi a Clinton with question during a joint news c.

But Prime Minister Britain, who is also s with Mr. Clinton this the president as soon as report broke, spent 3 misinger with him and his spokesman informed of the supportive call.

POLITICAL

Clinton Supported By Black Caucus

WASHINGTON — Even as many Democrats on Capitol Hill distanced themselves from President Bill Clinton after the independent counsel's report, members of the Congressional Black Caucus have emerged as his most ardent defenders.

Nearly half of the 63 Democrats who voted against releasing the report by the independent counsel, Kenneth Starr, were caucus members angry that Republicans rejected the White House's request to review the report before it was made public.

Several black Democrats in the House of Representatives noted in interviews on Friday, for example, that when the House censured the speaker, Newt Gingrich, on ethics charges, he was allowed a week to review the report. (NYT)

For Some, Details Are Too Explicit

WASHINGTON — The explicit sexual details throughout Kenneth Starr's impeachment report fueled intense criticism of the special prosecutor in some quarters and prompted some House members to second-guess their decision to quickly release the report over the Internet.

By Friday afternoon, some of Mr. Clinton's harshest critics were regretting their votes that morning to publicize the report, wondering aloud whether they had helped release pornography over the Internet.

"I've probably never read anything this graphic before," said Representative Mark Souder, Republican of Indiana, a staunch conservative who has called for Mr. Clinton's resignation. "I don't think anyone in this country is comfortable with such detailed probing of someone's sex life."

"These graphic details should be taken off the Internet," said Representative Clay Shaw Jr., Republican of Florida, who had voted earlier to put the report on the Internet. "We shouldn't have it all out there for kids to read." (WP)

Primaries Tuesday

WASHINGTON — Americans in eight states and the District of Columbia will vote in primaries Tuesday, setting the stage for November midterm elections that could be heavily influenced by White House scandal.

The primaries will be held in Connecticut, Maryland, Massachusetts, Minnesota, New York, North Carolina, Rhode Island and the state of Washington. Candidates will be chosen for governor, Congress, state legislatures and lesser offices.

In the national capital, where the winner of the Democratic primary invariably wins, voters will effectively choosing their next mayor, to succeed Marion Barry. (Reuters)

CLINTON: Leading Republicans Express Anger With the President's Aggressive Defense

Continued from Page 1

refused to resign — which the president and his aides have said he will never do — then "I think he's in real trouble." He also expressed serious concern about the president's ability to exert global leadership at a time when he is so profoundly occupied with rescuing his presidency.

Asked if Mr. Clinton would be impeached, Mr. DeLay said on NBC, "It certainly looks that way."

Another senior Republican, Senator Orrin Hatch of Utah, said he had spoken with Mr. Clinton by phone Sunday morning. Like Mr. Loit and Mr. DeLay, Mr. Hatch urged Clinton to "get rid of this legalism stuff" and "quit splitting legal hairs."

With the serious allegations facing Mr. Clinton now public, reaction to the extensive and often intimate details provided by Mr. Starr is forming on two critical fronts: among the people and in Congress.

As for Congress, lawmakers on both sides of the aisle have expressed revulsion and dismay for the behavior Mr. Starr's report describes. Yet no large-scale defections have appeared from the Democrats' emerging party line that while Mr. Clinton's behavior, as described by Mr. Starr, might have been despicable, it does not merit impeachment; or the Republicans view that the charges, in any case, are serious enough to warrant possible impeachment.

"I do not think the president should be impeached," said Representative David Bonior, Democrat of Michigan and the minority whip.

"The president's personal behavior, inappropriate, offensive as it is, is being weighed by the American people and by members of Congress with his job performance," he said, adding, "He has done a good job for this country."

Mr. Bonior said that a censure of Mr. Clinton, a public rebuke by Congress, seemed to him to be "a very real option."

While a decision on whether to move ahead with impeachment is a point reached only twice, and in this century only with President Richard Nixon — rests with the House, legislators are sure to pay heed to voters' feelings. Many of them traveled to home districts over the weekend to campaign ahead of the Nov. 3 midterm elections.

Public reaction is still forming, and remains subject to volatile changes, but an early opinion poll showed that Mr. Clinton still maintains close to a 60-percent level of public support for his job performance. A weekend poll for CNN found that 66 percent of Americans said Mr. Clinton should serve out his term, compared with 31 percent who said he should not.

The drama that began Jan. 21 with sensational allegations that Mr. Clinton had had a sexual relationship with Ms. Lewinsky reached a crucial point last week when Mr. Starr forwarded his findings about the case to Congress.

He mapped out, in intimate detail, the story of a relationship that began in November 1995 and included sexual encounters between the president and Ms. Lewinsky, who was then a White House intern.

The map for coming days and weeks is less clear. The only certain date on the schedule that may affect Mr. Clinton's fate is Sept. 28. By then the House Judiciary Committee is supposed to complete a preliminary review of more than 2,000 pages of supplementary material in the Starr report and decide whether to delete references to some individuals.

A Republican member of the committee, Bill McCollum of Florida, outlined this rough scenario for how Congress will proceed: After the committee finishes its review of the Starr materials, he said, it would hope to forward a recommendation to the full House, before it recesses in October, on whether to hold impeachment hearings.

He said he thought that if hearings were held then Congress would return for a special session, beginning before the Nov. 3 elections but lasting until well afterward.

David Kendall, Mr. Clinton's private attorney, and Charles Ruff, the White House counsel, faced heavy questioning about the legalisms they used to say that while Mr. Clinton had not been truthful when he denied having had sexual relations with Ms. Lewinsky, he had not committed perjury.

Mr. Ruff and other Clinton aides who appeared on television Sunday continued to argue that the Starr report was a political document full of unnecessary saucy details but lacking support for the

allegations that Mr. Clinton committed perjury, obstructed justice, tampered with witnesses or abused his power.

Several Democrats embraced the spirit of calls from some Republicans for Mr. Clinton to drop his legalistic insistence that he did not commit perjury and submit to congressional censure for his attempts to hide his affair with Ms. Lewinsky.

Leon Panetta, a former White House chief of staff, told The Washington Post that it was time "to stop the legal quibbling about whether he lied about a sexual relationship."

"It's clear he misled the country," he said. "He needs to cooperate with Con-

gress, not engage in the same tactics he has for the last seven months."

Senator Bob Kerrey, Democrat of Nebraska, echoed Mr. DeLay's comment that was inconsistent for the president to confess to having sinned yet announce that his lawyer would proceed to defend him vigorously.

"The president's lawyer and the press are now saying two different things," Mr. Kerrey said on CNN.

Representative John Dingell, a Democrat of Michigan who is the senior member of the House, said the Starr report should have been "delivered in a plain paper wrapper," saying of the independent counsel, "He was overly interested in matters involving sex."

Mr. Dingell said that Mr. Starr had "a few things of his own to answer for," including an "association with right-wing causes."

Meanwhile, Mr. Ruff said that Mr. Clinton "is running the country, is trying to move his agenda forward."

"He's worried about Social Security, he's worried about peace in Northern Ireland," he added. "That's where his mind is, that's where his efforts are. There's no reason for him to step aside."

Shock and consternation over the Starr report's depiction of Mr. Clinton led to some questions that would have been surprising only weeks ago.

Mr. Ruff was asked by an NBC interviewer whether Mr. Clinton would consider invoking the terms of the 25th Amendment of the constitution to, in effect, take an extended leave of absence and turn over the reins of government to Vice President Al Gore. The amendment deals with presidential "disability" and inability to discharge the duties of office.

Mr. Ruff said there was no such consideration.

Chirac Telephones Clinton

President Jacques Chirac of France telephoned Mr. Clinton on Sunday to express his friendship and hopes that the

president would be able to carry out his duties to the full, a spokeswoman said, according to a Reuters report from Paris.

The two spoke for 30 minutes about various subjects, including Iraq, Russia and Kosovo, the spokeswoman, Catherine Colonna, said.

Mr. Chirac also stressed "his esteem and friendship for President Clinton in the personal ordeal he is going through."

"At a time when the world is confronted with serious political and financial uncertainty, it is essential for all of us that the president of the United States is able to carry out his duties fully," she quoted Mr. Chirac as saying.

White House response argued that Ms. Lewinsky, not the president, first suggested that Mr. Clinton help in finding her a job — and that the effort began long before it was clear she would be subpoenaed in the Jones case.

The president's lawyers said that "it may be" Mr. Starr's "view that the president should have cast Ms. Lewinsky off and refused to assist her in any way, simply because the Jones case was filed."

But "fortunately," they added, "the law requires no such callous absurdity."

Mr. Clinton's legal advisers described Mr. Starr's allegation that the president obstructed justice by attempting to influence a witness — citing his meeting with Mrs. Currie the day after his Jones deposition — as "the product of extraordinary overreach and pejorative conjecture." Mrs. Currie, they said, was not a witness in any proceeding at the time and Mr. Clinton did not know that Mr. Starr's office had just expanded its long Whitewater investigation to include the relationship with Ms. Lewinsky.

The president's lawyers were similarly dismissive of Mr. Starr's findings that Mr. Clinton obstructed justice by denying to his aides that he had a sexual relationship with Ms. Lewinsky and by refusing six invitations to testify voluntarily.

The attorneys also contested claims by Mr. Starr that Mr. Clinton had abused the powers of his office by throwing up legal roadblocks in the past eight months, including claims of executive privilege and attorney-client privilege.

Primaries Tuesday

WASHINGTON — Americans in eight states and the District of Columbia will vote in primaries Tuesday, setting the stage for November midterm elections that could be heavily influenced by White House scandal.

The primaries will be held in Connecticut, Maryland, Massachusetts, Minnesota, New York, North Carolina, Rhode Island and the state of Washington. Candidates will be chosen for governor, Congress, state legislatures and lesser offices.

In the national capital, where the winner of the Democratic primary invariably wins, voters will effectively choosing their next mayor, to succeed Marion Barry. (Reuters)

REBUTTAL: President's Lawyers Denounce Starr's 'Hit-and-Run Smear Campaign'

Continued from Page 1

oral sex performed on him was not included in the definition of sexual relations used in the Jones deposition. The fact that Mr. Starr's report disagreed with Mr. Clinton's "linguistic parsing" was not "the stuff of which criminal prosecutions — and surely impeachment proceedings — are made," the White House document said.

The fact that Mr. Clinton and Ms. Lewinsky disagreed on whether he touched her breasts and genitalia — actions that would fall under the definition of sexual relations in the Jones deposition — does not constitute perjury, his lawyers argued, because there is no evidence that Mr. Clinton "knowingly and intentionally gave false testimony."

On the issue of exchanging gifts and meetings alone, the president's lawyers say Mr. Clinton never flatly denied the possibility and said the independent counsel's office was upset simply because Mr. Clinton was not more forthcoming. Based on that standard, the president's lawyers assert that Mr. Clinton urged her to file a false affidavit about their relationship in the Jones lawsuit, his attorneys said.

The Starr report included new information and assertions about the affair and the investigation. Among them:

Mr. Clinton himself informed Ms. Lewinsky that she would be called as a witness in the Jones case during a 2 A.M. telephone call to her Watergate apartment on Dec. 17. She had appeared on a witness list provided to Mr. Clinton's lawyers on Dec. 5 and she would not be served with a subpoena until Dec. 19.

Mr. Clinton met with his personal secretary, Betty Currie, on a second,

previously undisclosed occasion after his Jones deposition in which prosecutors said he appeared to be coaching her to agree with his false characterization of his relationship with Ms. Lewinsky. The president testified that he did not recall that meeting.

Mr. Clinton asked the White House chief of staff, Erskine Bowles, to help provide a job reference for Ms. Lewinsky as late as January, shortly before the Starr investigation was launched.

Mr. Clinton was told two weeks before he admitted to the affair that the stain on a blue dress that Ms. Lewinsky provided authorities had in fact tested positive for semen. Investigators took a sample of Mr. Clinton's blood on Aug. 3 and later matched the DNA on the dress. Mr. Starr contends in the report that Mr. Clinton's knowledge that the prosecutors possessed the DNA evidence spurred his decision to confess on Aug. 17.

The Starr report also alleged that Mr. Clinton's effort to help Ms. Lewinsky find a job in New York — and the involvement Vernon Jordan Jr., a friend and attorney, in that search — represented an obstruction of justice. The

heavy toll on him, his family, his staff, his party and his program.

If the president chooses to fight on, for a time or to the very end, his capacity to exercise the powers of the presidency would inevitably wane, as the fight with Congress absorbed his attention and his energies. At some point along the way, resignation might seem an increasingly appealing way out.

There are evident arguments in favor of resignation. It would stanch the bleeding, and let Mr. Clinton recover from his wounds. He would retain his pension and Secret Service protection and he would be entitled to government-paid staff, all of which he would lose if convicted by the Senate. He could buy himself out of a presidential library.

But resignation runs against the American grain. One of the things that sets U.S. government apart from parliamentary government is that presidents do not usually resign when they lose the confidence of the legislature. Sometimes

they decide not to seek another term; sometimes they seek one and lose. But they

Can Clinton Survive? / The Puzzle of a Dangerous Liaison

By Jill Abramson
New York Times Service

WASHINGTON — She called him "Big Guy" and smuggled presents and notes to him in the Oval Office. He told her that she made him feel young and that he loved her energy and smile.

The relationship that Monica Lewinsky described to the grand jury convened by the Whitewater independent counsel, Kenneth Starr, began with furtive Oval Office kisses and sexual encounters but deepened into something that, at least to her, was deeply emotional. "I never expected to fall in love with the president," she testified. "I was surprised that I did."

President Bill Clinton has told prosecutors a somewhat different story. He said a relationship that began as a friendship became inappropriate. "I never should have started it," he testified. He said he was deeply torn about the relationship, to the point that in describing one of their encounters, he said he "was sick after it was over."

But even after a long narrative that depicts their relationship in graphic detail, Mr. Starr's report to the House sheds little light on the central mystery at the heart of the sex and perjury investigation

that has engulfed Mr. Clinton for the last eight months: Why would the most powerful man in the world risk such a dangerous liaison — under the noses of Secret Service agents and staff members — with a 21-year-old woman wearing the pink pass of a White House intern around her neck?

Often in her own words and with amazingly detailed recollections for dates and atmospherics, Ms. Lewinsky emerges from these pages as being aggressive, needy, beguiled and demanding to the point of becoming extortionate.

For example, Ms. Lewinsky initiated the relationship in the fall of 1995, she said, during the shutdown of the U.S. government, with "intense flirting."

She lifted her jacket to give him a glimpse of her thong underwear. Within minutes they were kissing in an area near the Oval Office, she testified, and she swiftly began performing oral sex on him.

By their third sexual rendezvous, she worried that he did not remember her name. "Is this just about sex?" she asked him, "or do you have some interest in trying to get to know me as a person?"

The president laughed, Ms. Lewinsky told investigators, and said that "he cherishes the time" with her.

By the time she left that day, he "recited both my home number and my office number off the top of his head."

On another day, Ms. Lewinsky said, he suddenly kissed her. "This was another one of those occasions when I was babbling on about something, and he just kissed me, kind of to shut me up, I think," she testified.

But still, it was not until they had had some form of sex for the sixth time, and she was counting, that the two of them had their first "lengthy and personal conversation."

Her insecurities in those early days were seemingly offset by the calculating way in which she would later play the president's affection to her advantage, according to her testimony. Long after their brief interludes began, she wrote the president a letter threatening to disclose their relationship and pressed him hard for help getting a job.

Ms. Clinton emerges from the report in equally contradictory ways. Ms. Lewinsky sensed early on that he felt it was wrong to be involved with an intern. He broke off the relationship twice, only in resume sexual relations with her. Until 1997, toward the end of the relationship, he did not let her bring him to climax, telling her, at one point, that he did not

trust her enough. And, after another encounter in which Ms. Lewinsky said the president soiled her dress, he said he felt sick.

The descriptions given by Mr. Clinton and Ms. Lewinsky of their relationship conflict in some details. Ms. Lewinsky said it began in November 1995 while she was an intern and included 10 sexual encounters, eight of which occurred while she was working at the White House.

Mr. Clinton, in his testimony and in a 73-page report to Mr. Starr's report issued by the White House on Friday, said the relationship began later and was less extensive. The rebuttal emphasized that it was Mr. Clinton who broke off their sporadic encounters in early 1997 "because he knew they were wrong."

The portrait of the relationship in the Starr report is based mostly on Ms. Lewinsky's grand jury testimony, given under a grant of immunity from prosecution. It is also based on the testimony and tapes of Linda Tripp, Ms. Lewinsky's former friend, in whom Ms. Lewinsky confided him so after seeing the movie "Titanic."

Ms. Lewinsky felt demeaned by some of their encounters, she testified. Several times, she said, the president talked on the phone to congressmen and others while she performed oral sex on him. During one of those calls, she said, the president exposed himself to signal to her that he wanted sex.

At times, the president seemed reluctant to reach a climax while she was performing oral sex, sometimes pushing her away. On the day that he stained her dress with his semen, he had interrupted her and tried to stop her, Ms. Lewinsky testified; the president hugged her, she said, and told her that "he didn't want to get addicted to me, and he didn't want me to get addicted to him."



Betty Currie: Secretary was more involved than previously recognized.

Clinton's Secretary Helped Enable the Liaisons

By Amy Goldstein
Washington Post Service

WASHINGTON — Betty Currie, the gentle presence just paces from the Oval Office, was a furtive accomplice to President Bill Clinton's affair with Monica Lewinsky, arranging the logistics of their rendezvous while taking pains to hide the relationship.

The image of Mrs. Currie that emerges in the report by the independent counsel Kenneth Starr, drawn largely from her own grand jury testimony, is of a personal secretary far more involved in her boss's relationship with the former intern than has previously been recognized.

She told grand jurors that she had "sneaked" Ms. Lewinsky into Mr. Clinton's private study, using circuitous routes to avoid other White House sides. She refrained from listing many of the young woman's telephone calls to Mr. Clinton on official telephone logs. Sometimes, she jotted notes or left messages for Ms. Lewinsky, using the alias "Kay."

And last year, shortly after Ms. Lewinsky had been subpoenaed in the Paula Jones sexual harassment case, Mrs. Currie drove to the young woman's Watergate apartment the Sunday after

Christmas, retrieved a box of gifts from Mr. Clinton, brought them home, and stashed them under her bed.

Particularly after Mr. Clinton won election in 1996 to a second term, "the president's secretary acted as intermediary," the report says, noting that Mrs. Currie typically authorized Ms. Lewinsky's visits and sometimes went to the White House on weekends "for the sole purpose of having Ms. Lewinsky admitted and bringing her to see the president."

The report also contends that she played a role in Mr. Clinton's alleged effort to cover up the affair. Last Jan. 17, just hours after Mr. Clinton had given his deposition in the now-dismissed Jones sexual harassment case, he telephoned Mrs. Currie at home and asked her to meet him at work the next day, a Sunday.

During that meeting, Mr. Clinton made statements — which Mrs. Currie assented to, but knew were untrue — that she had always been present during Ms. Lewinsky's visits, and that he had "never touched" the young woman.

Over time, Mrs. Currie seemed to grow less fond of Ms. Lewinsky. At one point, when the effusive young woman appeared on the brink of confirming what Mrs. Currie had merely surmised,

the secretary cut her off, saying, "Don't want any perceptions, him being alone with someone."

Nevertheless, Mr. Starr's report depicts her as facilitating Mr. Clinton's interactions with Ms. Lewinsky long after several other White House aides had become wary of the former intern. Both by bringing Ms. Lewinsky to Mr. Clinton and later keeping her at bay, she demonstrated loyalty to the president.

Mrs. Currie, 59, continues to work as one of Mr. Clinton's two personal secretaries, along with Nancy Hernreich.

Mr. Starr's report cites ways in which Mrs. Currie enabled the clandestine encounters between Mr. Clinton and Ms. Lewinsky to occur. On Feb. 28, 1997, Ms. Lewinsky attended Mr. Clinton's weekly radio address and had a picture taken with him. Mr. Clinton then told Ms. Lewinsky to see Mrs. Currie, because he wanted to give her something, Ms. Lewinsky said in her grand jury testimony.

The three walked together into the president's private study near the Oval Office. Then Mrs. Currie waited nearby for 15 or 20 minutes while Ms. Lewinsky testified, they had a sexual encounter. Afterward, the three left together.

Mrs. Currie testified that she had accompanied them because she "didn't want any perceptions, him being alone with someone could be fired."

For the first time, Mr. Starr's report documents the aftermath of the meeting last January when Mrs. Currie agreed with Mr. Clinton that he and Ms. Lewinsky had never been alone together. That evening and early the next morning, Mrs. Currie tried to reach Ms. Lewinsky via pager 11 times, using an alias and leaving urgent messages. "Please call, Kay, it's family emergency," Mrs. Currie said in one message.

She testified that it was "possible" that she had called at Mr. Clinton's suggestion and that Mr. Clinton met with her again approximately a day later to discuss Ms. Lewinsky again.

Mr. Clinton's grand jury testimony differs. He said he "did not remember" having a second conversation with her along these lines, the report says.

Mr. Starr contends in his report that such behavior was an attempt to obstruct justice and influence a witness. Mr. Clinton's lawyers disagree, arguing that Mrs. Currie was a witness in the Jones case, and Mr. Starr at that time had not begun to investigate the Lewinsky affair.

Secret Service Got Used to Lewinsky's Visits to Deliver Papers

By David E. Sanger
New York Times Service

WASHINGTON — The Secret Service, it turns out, had seen a lot of Monica Lewinsky.

When Kenneth Starr's report was made public, it became clear that members of the president's security detail had repeatedly allowed her into the Oval Office after being told that she was delivering papers. They were not surprised that the young aide often stayed for an hour or more.

In at least one case, the Secret Service agents were under specific instructions from a watch commander to forget an incident in which they had witnessed an enraged Ms. Lewinsky stalk off when she learned that President Bill Clinton was meeting in the Oval Office with another woman, although there is no evidence that the meeting was anything other than an innocent visit.

For months, one of the central legal battles of the independent counsel's investigation of the president was over whether Mr. Clinton's bodyguards should have to testify about what they saw, heard

and suspected or would get a waiver on this.

Treasury Secretary Robert Rubin, who oversees the Secret Service, and Justice Department lawyers argued unsuccessfully that the agents guarding any president must enjoy a "protective privilege" under which agents could not be called to testify. With such an arrangement, a president would not feel compelled to keep them at a distance.

Mr. Rubin emphasized in an interview last spring that he was interested only in maximizing the protection afforded the president and had deliberately avoided trying to learn what the Secret Service knew or suspected.

"I don't know the facts," he said. "And I don't have any interest in the facts. I wouldn't sit in the same room if they wanted to tell me. If they saw anything, I have no idea."

Mr. Rubin said that the effort to block the testimony originated with the Secret Service and that the White House was not consulted.

The Secret Service agents were out the only employees around the Oval Office who, based on the details in the Starr report, could have had

reason to suspect a relationship between Ms. Lewinsky and the president.

The report offers many details about how Betty Currie, the president's secretary, set up meetings with Ms. Lewinsky and sometimes escorted her into the Oval Office through back doors, where she would not be noticed.

Other members of the president's staff, the report hints, may have suspected what was happening. But in some cases it is unclear what they saw. For example, Harold Ickes, the deputy chief of staff and Mr. Clinton's main re-election operative inside the White House, went up to the partly closed door of the study off the Oval Office when Mr. Clinton was inside with Ms. Lewinsky and called out, "Mr. President!" when he needed to see him urgently, Ms. Lewinsky recalled, as quoted in the report.

But the most telling incidents that provided corroboration for Ms. Lewinsky's account to the grand jury involved the Secret Service.

Ms. Lewinsky, the report states, arranged with the president in January 1996 to "pass" by the office

with some papers" so that she could be invited in.

For several minutes, she recalled, she spoke with Lewis Fox, a uniformed Secret Service agent posted outside the Oval Office.

She was invited in, and after 10 minutes of talking in the Oval Office, the president and Ms. Lewinsky moved toward the back study, where they were out of view.

Mr. Fox, who is retired, testified that he was told he one weekend afternoon that he was "expecting" the arrival of a young staff member.

Mr. Fox appeared to know to whom the president was referring, the report said, and he testified that "it was pretty commonly known that she did frequent the West Wing on the weekends."

"Other agents had told him that she often spent time with the president," the report noted.

When Mr. Fox admitted Ms. Lewinsky to the Oval Office, the president said to him:

"You can close the door. She'll be here for a while," according to the report's account of Mr. Fox's testimony.

Scandal Puts Parents on Spot (and Some Find Lesson for Their Children)

By Ann O'Hanlon
Washington Post Service

WASHINGTON — Parice DeBoer, mother of three, was face to face with her children's questions about President Bill Clinton, his wife, his affair and his lies. So she did what more than a few parents have found themselves doing in the last week: She told some lies of her own.

"It's sort of like Santa Claus," she said. "I've never wanted to lie to my kids, but they've got certain things where you have to."

Her children asked what oral sex was, and she explained that Mr. Clinton apparently was dating someone else even though he was married to Mrs. Clinton. And then they wanted to know why Mrs. Clinton was staying with him.

Instead of saying, "Because she's an idiot," which was on the tip of her tongue, she said she

softened her opinion considerably.

"She's sucking him until the truth comes out, and then she probably won't stay with him," she said.

Parents around Washington — and no doubt in the rest of the United States as well — say Mr. Clinton's troubles have given them fodder for frank discussions with their children in recent weeks but also have caught them in awkward moments.

Therapists say that parents should let the children lead the conversations, prompting them to say what they know and what they want to know.

With the release on Friday of the report to Congress by the independent counsel, Kenneth Starr, however, parents are bracing for more — and harder — questions. They are trying to determine how to be honest without revealing

too much about some sexual acts that have stunned even them.

For Hilary Kirk, Friday was about being a mother of three girls and coping with lurid

I would like it to end as quickly as possible," one mother said. "This is not worth the trauma that it's causing my family."

sexual allegations.

She shopped for software in block her girls from using the home computer to read the Starr report on the Internet.

She attended two school meetings — one,

ironically, about new character-education classes — and listened to parents and administrators struggle with how to discuss the president's troubles with students.

Tired already, she drove to her home in Bowie, Maryland, in her 12-year-old car, asking whether the president would be impeached.

"Well you know, things are making it look more likely," she told Stefanie, who looked shocked. Later, on the news, they heard something about sex props and the discomfort level grew.

Many parents say they are turning the difficult moment into teaching opportunities: The president lied, and it came back to haunt him — that's what happens when you tell a lie.

One mother talked to her children about choosing friends and spouses carefully, pointing

out that Linda Tripp was a bad choice for Monica Lewinsky, as was Bill Clinton for Hillary Rodham Clinton.

"You understand what he did to his family?" she recently asked her son. "You've already made a decision about what kind of family man you're going to be?"

And the boy replied: "I'm going to be there for my kids. I'm not going to cheat on my wife or nothing like that."

At the vortex of parental emotions is anger — with the media for bringing what they call pornography into their homes, with Mr. Starr, with Mr. Clinton, with Congress.

Some are turning the anger to action. Hilary Kirk plans to write to her congressman, Steny Hoyer, Democrat of Maryland. "I would like it to end as quickly as possible," she said. "This is not worth the trauma that it's causing my family."

BEHAVIOR: Can a Man Given to Parsing Words Be Impeached for Doing What Comes Naturally to Him?

Continued from Page 1

Since Mr. Clinton first ran for office in Arkansas nearly a quarter-century ago, the evidence suggests that he has placed himself in danger through his sexual recklessness and then done virtually everything he could, after the fact, to conceal his actions, thereby avoiding the worst personal and political consequences of his private behavior.

In the past his efforts to conceal information, to the extent that they were known or suspected, were largely considered in that context as damage control undertaken to keep his marriage together, his friendships intact, his staff loyal, his party and the voters on his side, his adversaries at bay, his political dream alive.

But Kenneth Starr and his deputies, by focusing on the patterns of the president's actions in the Lewinsky matter, dramatically shifted the lens. Mr. Clinton's sexual behavior and his efforts to conceal it have now been placed in a criminal framework. What for decades had been habitual personal and political damage control suddenly became grounds for impeachment.

Perhaps it was inevitable that the impeachment case would turn largely on issues of semantics. Mr. Clinton's entire career has been shaped by dis-

putes over words: what he has said, or failed to say, or almost said, or denied saying, or insisted that he had said or people thought he had said. The stakes in that debate seemed to increase every year, until finally they reached the level of whether his words constituted perjury or obstruction of justice.

It is apparent from the Starr document that the president's "close parsing" of words, as the report refers to it at one point, drove the independent counsel and his deputies to distraction and that they became determined to call him on it. But what was really new here was the context, and Mr. Starr's prosecutorial powers, not the pattern of Mr. Clinton's semantic manceverings.

: Why Risk?

Can Clinton Survive? / Weighing the Evidence

Charge and Countercharge: Differences Abound on the Major Points

By David E. Rosenbaum
New York Times Service

WASHINGTON — In his report to Congress, the Whitewater independent counsel accused President Bill Clinton of committing perjury when he said under oath in the Paula Jones civil case and before a federal grand jury that he had no sexual relationship with Monica Lewinsky.

Mr. Clinton's lawyers, in the response they wrote before they had seen the report from Kenneth Starr, insisted that the president had not lied because he and Ms. Lewinsky had not had sexual intercourse.

That is the most fundamental point in dispute between Mr. Starr's report and the response from the president's lawyers. But there are other conflicts in the two accounts.

Mr. Starr insists, for example, that the weight of the evidence indicates that Mr. Clinton dispatched his secretary, Betty

Currie, to retrieve presents he had given Ms. Lewinsky. The president's lawyers said he never asked Mrs. Currie to get the gifts. This bears on the question of whether Mr. Clinton was trying to cover up his relationship with the former intern.

On another matter, Mr. Starr's report argued that Mr. Clinton had actively helped Ms. Lewinsky find a job outside the government to influence her testimony. Mr. Clinton's lawyers maintain that he was not involved in finding Ms. Lewinsky outside employment and that a casual effort by him to find her a government job had no connection with her testimony.

The details aside, the president's lawyers argue that impeachable offenses must entail abuse of office and the private conduct of Mr. Clinton is accused of does not rise to that level. Mr. Starr's report never explicitly addresses the grounds for impeachable offenses.

The Clinton lawyers offered a detailed statement maintaining that impeachment

is warranted only for "wrongdoing that threatened the processes of government or the public order."

"Holders of public office are not to be impeached for private conduct, however wrongful," the lawyers insisted.

Mr. Starr's point is that the president must be held to high standards and that perjury and obstruction of justice are beneath those standards.

His report provided what he called "substantial and credible evidence" supporting 11 charges, all involving the president's relationship with Ms. Lewinsky. These, he said, "may constitute grounds for an impeachment."

When Mr. Clinton gave a deposition under oath in the Jones civil case on Jan. 17, he said he had never had a sexual relationship or sexual relations with Ms. Lewinsky. He took the same position in his grand jury testimony on Aug. 17.

To document his contention that this amounted to perjury, Mr. Starr, relying primarily on Ms. Lewinsky's testimony,

described in explicit detail 10 sexual encounters in a hallway or bathroom near the Oval Office beginning Nov. 15, 1995, and ending March 29, 1997. She performed oral sex on him, the report states, and he touched her breasts and genitalia, but they never had intercourse.

"Ms. Lewinsky and the president engaged in substantial sexual activity," the report says, adding, "The president's denials — semantic and factual — do not withstand scrutiny. The president's linguistic parsing is unreasonable."

Mr. Clinton's lawyers took issue. "The term 'sexual relationship,' like sexual affair, has no definitive meaning," they asserted. "To the President, that term reasonably requires sexual intercourse as a necessary component of the relationship. Since his relationship with Ms. Lewinsky did not involve intercourse, he truthfully answered."

In the civil deposition, the lawyers stated, the president was not pressed with specific questions about what kind

of activities he and Ms. Lewinsky engaged in and was under no obligation to volunteer such information.

On the manner of the gifts, the testimony of Ms. Lewinsky and Mrs. Currie were at odds, the Starr report said. Ms. Lewinsky testified that after she met with Mr. Clinton last Dec. 28, Mrs. Currie called her and said either, "I understand you have something to give me," or "the president said you have something to give me."

Mrs. Currie testified that Ms. Lewinsky placed the call, and the secretary said that she did not recall any discussion with the president about retrieving the presents. When the prosecutor then asked whether Ms. Lewinsky's statement that Mrs. Currie said she had spoken to the president about the transfer of the gifts was false, Mrs. Currie replied, "Then she may remember better than I."

Mr. Starr concluded in his report that "even if Ms. Lewinsky is mistaken and she did call Ms. Currie first, the evidence still leads clearly to the conclusion that the president orchestrated the transfer."

It is "unlikely," the report asserted, that Ms. Lewinsky would have involved Mrs. Currie without the president's assent or that Mrs. Currie would have driven to Ms. Lewinsky's home to retrieve the presents without Mr. Clinton's approval.

But Mr. Clinton's lawyers state that the president told Ms. Lewinsky she would have to produce gifts in her possession in response to a subpoena. "He did not ever suggest that gifts from him should be disposed of," the lawyers stated, "and he did not ever ask or instruct Ms. Currie to pick up the gifts from Ms. Lewinsky."

Mr. Starr says in his report that Mr. Clinton actively tried to find Ms. Lewinsky a job outside the government to influence her testimony. The report said the president agreed with Ms. Lewinsky when she suggested on Oct. 11 that a friend of Mr. Clinton's, Vernon Jordan Jr., might help with her job search and called Mr. Jordan to enlist his assistance.

Ms. Lewinsky met with Mr. Jordan on Nov. 5. He told her that she came "highly recommended." Mr. Jordan then called Mr. Clinton and told him about the meeting, the report said. When Ms. Lewinsky accepted an offer with MacAndrews & Forbes, the parent company of Revlon, in January 1998, Mr. Jordan called the president and told him, "Mission accomplished," the report said.

Mr. Starr said that he could not prove Mr. Clinton's intentions in the job search, but said "circumstantial evidence" indicated that the president was "motivated at least in part by his desire to keep her on the team" in the Jones litigation.

The Clinton lawyers said that "at no time did the president ask that Ms. Lewinsky be accorded especially favorable or unfavorable treatment because of his relationship with her."

Impeachment: The Process...

The Constitution spells out in a few brief clauses the roles of the House and the Senate in impeaching officials and removing them from office. Although House and Senate rules control the actions of each chamber, there is no uniform practice for carrying out impeachments, partly because the process occurs so infrequently and under varied circumstances.

...and the History

Since 1789, the House has voted to impeach 16 officials. Seven of those were convicted by the Senate. Most impeachment resolutions that have been filed against presidents have died in the House Judiciary Committee. Here are presidential cases that went further:

PRESIDENT	CHARGES
1843 John Tyler	Corruption and misconduct
1868 Andrew Johnson	Serious misconduct
1874 Richard M. Nixon	Obstruction and abuse of power

Sources: "Impeachment: An Overview of Constitutional Provisions, Procedure and Practice," Congressional Research Service; "Impeachment and the U.S. Congress," "Guide to Congress," Congressional Quarterly

① Resolution

A resolution, known as an inquiry of impeachment, is referred to the Judiciary Committee. Or, among other alternatives, a member may introduce a bill of impeachment, to be referred to the committee.

② Committee vote

After considering evidence, such as the material provided to the House this week, the Judiciary Committee votes on a resolution of inquiry stating whether there is enough evidence for impeachment.

③ House vote

In this case, the full House would vote whether to approve a Judiciary Committee decision to proceed to a full-blown impeachment hearing.

④ Hearing

The Judiciary Committee holds hearings into the allegations possibly broadening the inquiry into other subjects.

⑤ Report

The committee votes on one or more bills of impeachment. A simple majority decides whether to bring the case before the Senate.

⑥ House vote

The House votes on the bill of impeachment. If a two-thirds majority supports impeachment, the president is removed from office.

⑦ Senate trial

In a trial conducted on the Senate floor, the House Judiciary Committee brings the case against the president, who is defended by his own lawyers. The Senate acts as the jury, and the Chief Justice of the Supreme Court presides over the trial.

⑧ Senate vote

The Senate votes on each article of impeachment. If two-thirds majority supports impeachment, the president is removed from office.

He was acquitted by a margin of one vote. He completed his term.

NYT

Public Holds Key to Fate Of Clinton, Experts Say

By William Glaberson
New York Times Service

WASHINGTON — Experts on constitutional law say that some of the scathing accusations in the report by Kenneth Starr, the independent counsel, could, if proved, be appropriately defined as "impeachable offenses."

But in interviews after they had read the report, several of them said that — because impeachment is defined as a political process — the question of whether Mr. Clinton's actions warranted impeachment depended not on legal analysis but rather on public reaction.

The experts described the report as a unique amalgam of well-reasoned legal points and blistering oratory that, they said, appeared most likely to weaken the influence of the document as the debate unfolds in coming weeks.

"Technically, yes, if what's alleged is true, it makes out an impeachable offense," said Susan Low Bloch, a professor of constitutional law at Georgetown University Law Center. "But I think it's going to depend on what the public thinks. Impeachment is a political process."

But the legal experts, drawn from a range of political views and geographic regions, generally said that the report appeared to present a threshold argument that Mr. Clinton's conduct warranted at least an investigation.

Richard Pildes, a constitutional law expert at the University of Michigan Law School, said he had read the report and reflected on it overnight. He concluded, he said, that it raised serious issues of perjury and obstruction of justice.

But Mr. Pildes also said that the report often went beyond standard legal arguments. "There are some legal aspects of it," he said, "that make it read like the almost fanatical zeal of a medieval inquisitor."

Some of the constitutional authorities were plainly uncomfortable analyzing the report in legal terms. "It reads to me like a brief of one side, a prosecutor's brief," said Erwin Chemerinsky, a specialist at the University of Southern California Law School.

"But in many places," he added, "it reads more like a political argument than a legal brief."

Jesse Choper, a professor of constitutional law at the Boalt Hall Law School at Berkeley, said there could be no definitive answer to whether the accusations of the independent counsel constituted "high crimes and misdemeanors."

"There are allegations in the report that President Clinton lied under oath, that he sought to obstruct justice," he said. "All of those things are crimes, felonies. If they are true, it is not beyond the pale to believe that one can be impeached for it."

"The decision of Congress is final," said E. Joshua Rosenkranz, a constitutional law expert who is executive director of the Brennan Center for Justice at New York University Law School.

"It's 'impeachable,'" Mr. Rosenkranz said. "If Congress says it is."

A Document With Attitude (and a Worst-Case Scenario)

By Linda Greenhouse
New York Times Service

WASHINGTON — The phrase runs like a grim mantra through Kenneth Starr's report to Congress: "There is substantial and credible information that President Clinton . . ."

Indeed, the Whitewater independent counsel's 445-page "referral," specifying 11 possible grounds for impeaching the president, is brimming with information: dates, names, quotations from previously secret grand jury testimony, graphic descriptions of sexual encounters between Mr. Clinton and Monica Lewinsky.

It is the way the report marshals and characterizes the information it presents that converts it into an aggressive piece of legal advocacy. Few of the factual assertions are left to speak for themselves.

"The president's linguistic parsing is unreasonable," the report says of Mr. Clinton's struggle to avoid acknowledging the sexual nature of the relationship. The report characterizes the president's testimony as deceptive, "not plausible," or defying "common sense."

In short, this is a document with attitude. It serves

up a worst-case scenario: conversations that some might find inconclusive, ambiguous, or at worst suggestive, such as the exchanges between the president and Betty Currie, his secretary, in the period surrounding Mr. Clinton's deposition in the Paula Jones sexual misconduct civil lawsuit, are characterized as a criminal obstruction of justice.

Mr. Clinton's public denial on Jan. 26 of sexual relations with "that woman, Miss Lewinsky" was not simply a politically disastrous whopper of historic proportions. It was part of an impeachable offense, a presidential failure of the constitutional duty to faithfully execute the laws, the report says.

Prosecutors considering seeking criminal indictments typically prepare in-house memorandums outlining a potential case, much as Mr. Starr has done here. Both those memorandums include a section that the Starr report conspicuously omits — a frank discussion of possible defenses to the charges and of vulnerabilities in the prosecution's case.

The analogy is not exact; this is not a criminal case, in which a prosecutor must prove conduct that meets the precise statutory definition of a criminal

offense. Impeachment is an open-ended concept, an impeachable offense essentially determined by what a majority of the House decides it to be. Nonetheless, this report is notable for its failure to acknowledge that there might be more than one way to view at least some of the evidence. For example, Mr. Starr concludes that the president "orchestrated" the concealment of gifts he had given Ms. Lewinsky, a question on which the evidence is suggestive but not conclusive. In trying to make the case that this episode amounted to an obstruction of justice, the report dismisses contrary interpretations with the statement that "those inferences fall outside the range of reasonable possibility."

The Starr report is in sharp contrast to the information Leo Jaworski, the Watergate special prosecutor, gave the House Judiciary Committee that was considering the impeachment of President Richard Nixon in 1974. Mr. Jaworski handed the committee 800 pages of documents, 13 White House tape recordings, and a "road map" to the material. He provided no analysis and drew no conclusions.

As anticipated, the Starr report is rife with details of sexual encounters, toward which the independent counsel adopts a tone of pained necessity. "The

president's testimony unfortunately has rendered the details essential," the report asserts, arguing that Mr. Clinton's sworn denials of a "sexual relationship," "sexual affair," and "sexual relations" amounted to perjury.

The implication that Mr. Starr was compelled to offer up such unpleasant material begs the question whether this was a road that any independent counsel needed to travel in the first place.

Where Mr. Starr finds criminality, others might find pathos or even farce. In a scene reminiscent of a Feydeau bedroom comedy, Ms. Lewinsky is depicted as "walking away briskly" from an encounter with the president as Harold Ickes unexpectedly enters the Oval Office through another entrance.

The sexual details were widely anticipated in advance to be shocking, and some of them undoubtedly are, but the prevailing image is one of banality rather than pornography. According to Ms. Lewinsky's grand jury testimony, as quoted in the report, Mr. Clinton told her that she made him feel young, and she in turn fantasized about marriage. She also offered him "my stupid ideas about what I thought should be done in the administration."

A Prosecutor With a Bible in Hand

Starr's Strict Religious Upbringing Shows Through in Report

By Michael Winerip
New York Times Service

breasts or genitalia — is not credible."

This is very plainly a report produced by a lawyer who moves in the most sophisticated political and legal circles, sings religious hymns on his morning jogs and keeps a calendar of daily Bible scriptures in his Arkansas apartment.

Wayne Drinkwater clerked along with Mr. Starr in the mid-1970s for Warren Burger, then the chief justice of the Supreme Court, and Mr. Drinkwater, too, recognizes his longtime friend's personal imprint in that 445-page report to Congress.

"He would be more bothered than the average prosecutor by these kind of sexual matters," said Mr. Drinkwater, a Mississippi lawyer. "Keeo has a very, very strong moral center. He's not the kind of person, some worldly prosecutor who's going to say, 'Boys will be boys.' He won't do that."

All Mr. Starr's professional life — as an aide in the Reagan Justice Department, a judge on the federal appeals court and the solicitor-general during the Bush administration — he has worked doggedly to gather every last fact before making a decision, driving his assistants crazy.

Until taking the independent counsel's position four years ago, Mr. Starr had never been a prosecutor, never even been a trial lawyer, and had spent most of his career as an appellate lawyer and judge.

Mr. Starr, who has been called many things but never "street smart," would ask colleagues if he came across in his public appearances as too pedantic. Even friends regarded him as something of a workaholic egghead with a "judgy" personality.

In the midst of the investigation of the president, Mr. Starr enjoyed traveling the country delivering speeches to legal and academic groups on subjects like "accountability" and "civic virtue."

In a speech in May, to a North Carolina bar association, he lamented that "Americans have lost their sense of civility."

In retrospect, that speech reads like a personal, finger-wagging rebuke of the president whose sexual escapades are chronicled in Mr. Starr's impeachment report.

When cornered by reporters in recent months for any kind of sound bite they could use on the evening news, he usually spoke of his quest for the truth ("Our job is to get at the truth and the truth will speak for itself") and there is plenty of that in the report, too.

For Mr. Starr, the president who answered "I don't recall," in the Paula Jones civil suit in January, and then did

recall in August before the grand jury, is a

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**Crimes or Bad Conduct?**

Kenneth Starr's report to Congress on evidence of possibly impeachable conduct by President Bill Clinton paints a devastating portrait of Mr. Clinton's behavior, honor, candor and respect for the obligations and dignity of his office. The compilation is such that Congress has no choice but to initiate an impeachment inquiry exploring seriously both the allegations themselves and the threshold standard for the impeachment and removal of a president.

As a starting point, Mr. Starr offers compelling evidence that the president lied under oath both in his deposition in the Paula Jones suit and before the grand jury investigating the corruption of evidence to that case. The president lied about his sexual relationship with Monica Lewinsky. He lied about being alone with her. He lied about conversations with her concerning her prospective testimony. And Mr. Starr contends he lied about his conversations with Vernon Jordan concerning her. The report also demonstrates that the president bald-facedly lied to his aides, his cabinet and the American people. While these latter lies are not criminal acts, it is certainly appropriate for Congress and the public generally to consider them in assessing Mr. Clinton's fitness for office.

Mr. Starr also presents disturbing, though not conclusive, evidence that the president obstructed justice in the Jones case. Mr. Starr's evidence that the president had an implicit understanding with Ms. Lewinsky that both would give false testimony about their relationship is quite strong. Also damning is Ms. Lewinsky's testimony about the circumstances under which Mr. Clinton's secretary, Betty Currie, retrieved the president's gifts to Ms. Lewinsky even while those gifts were under subpoena. And though Ms. Currie's testimony contradicts Ms. Lewinsky's, it does so quite equivocally, and Mr. Starr's conclusion that the president orchestrated the transfer is one Congress will need to study.

It will also need to examine closely Mr. Starr's claim that the president tampered with a potential witness when he met with Ms. Currie after his deposition and presented her with a series of statements about the relationship that both the president and Ms. Currie knew to be false. Congress should also scrutinize Mr. Starr's somewhat less well-supported contention that the aid Ms. Lewinsky received in her job hunt from the White House, some of which predated her appearance on the Jones witness list, was intended to corrupt her testimony. There is, in short, ample evidence in Mr. Starr's report of presidential conduct that Congress could deem grounds for impeachment.

Unfortunately, however, Mr. Starr did not satisfy himself with making allegations that the evidence unambiguously supports, nor did he act in the restrained manner we would have hoped. Despite the report's repeated protestations that the president's testimony necessitated describing the affair in lurid detail, a clear demonstration that Mr. Clinton's conduct constituted

"sexual relations" under any definition could have been accomplished by discreet citations to grand jury transcripts and exhibits. The decision to write the report in a form that resembles a steamy paperback smacks of an effort to embarrass the president. In addition, some of Mr. Starr's allegations are insufficiently supported. It is a stretch, for example, for Mr. Starr to claim that the president committed obstruction when he lied to his aides knowing that they would then testify falsely before the grand jury. Mr. Starr further accuses the president of abusing his constitutional authority by failing to cooperate with Mr. Starr's own investigation, declining several times to testify before the grand jury and asserting executive privilege. Mr. Starr's arrogant contention that mounting a vigorous defense against Mr. Starr is an impeachable offense is difficult to support.

Even more arrogant is the aggressive advocacy for impeachment in Mr. Starr's document. The willingness of the prosecutors to draw inferences and make judgments plainly designed to color Congress's judgment is unmistakable and sharply in contrast to the restraint shown by the special prosecutor during Watergate.

Mr. Starr's errors, however, do not save Mr. Clinton. For even when the excesses are stripped away, the case he has presented is serious, while Mr. Clinton's current defense is contemptible. The notion that oral sex performed on the president did not meet the definition of sex used at the deposition is sophistry so tortured that no satirist would have deemed it plausible enough to be humorous. And it ill becomes the president to argue, as his lawyers did in their rebuttal Friday, that literally truthful statements are not perjury "no matter how misleading the testimony is or is intended to be." This may be correct as a matter of law, though Mr. Clinton's statements do not appear to have been literally truthful, but the president does himself no favors by arguing that he is entitled to lie under oath as long as he does so cleverly.

Finally, Mr. Clinton's factual claim that the sexual relationship was limited to Ms. Lewinsky's performing oral sex on him is directly contradicted both by Ms. Lewinsky's testimony and her significant contemporaneous communications.

The question of whether the president's public conduct warrants impeachment and removal goes to the heart of what does and does not constitute "high crimes and misdemeanors." On the one hand, the crimes alleged are serious ones and the evidence on some is quite strong; on the other hand, this misconduct took place in the context of a subsequently dismissed civil case and would probably not, in other circumstances, have been deemed worthy of investigation or prosecution. Mr. Clinton's behavior is at the margins of impeachmentability — straddling the line that separates disqualifying crimes from conduct that merely mars indelibly the presidential office and the man who holds it.

—THE WASHINGTON POST.

The Fair Way to Justice

S With heavy hearts and churning emotions, Americans took this weekend to digest Kenneth Starr's allegations of misconduct and abuse of power by President Bill Clinton. The official judgment of Mr. Clinton's fitness to serve will be rendered by the Congress, which is as it should be. Wrangling over the role and rights of the independent counsel can now give way to procedures and powers established indisputably by the Constitution, and that is a healthy development.

But it places a heavy burden on the House of Representatives, which will first consider the case and whether to hold impeachment hearings. Without an exact precedent from Watergate of receiving such detailed accusations from a special prosecutor, the House must invent new procedures as it goes along. So far, the House speaker, Newt Gingrich, and Henry Hyde, the Judiciary Committee chairman, have been true to their promise of a bipartisan approach.

The House's primary obligation is to handle the case in a fair, nonpartisan way. That means that Mr. Clinton and his lawyers should be given every opportunity to see all the evidence, including evidence that has not yet been

—THE NEW YORK TIMES.

Because the White House is disputing the facts and interpretations contained in Mr. Starr's report, the Judiciary Committee must transform itself into a kind of fact-finding body. The House needs to make sure that the defense of Mr. Clinton on the panel, in cooperation with the White House counsel, are able to obtain any information or testimony that challenges Mr. Starr's findings or legal analysis. There can be no room for unilateral subpoena power by the Republican majority, with no ability of the minority to exercise the same rights.

The Judiciary Committee should ask Mr. Starr if there is any additional material related to the case that he did not consider material, but which the defense may find exculpatory or otherwise crucial in its effort to challenge the credibility of witnesses.

—THE NEW YORK TIMES.

Europe Should Help Russia Face Winter's Hunger

By William Pfaff

PARIS — As always, political crisis is accompanied by misery for the Russian people. Winter is about to arrive, at a moment when existing channels of food and fuel distribution are failing because of the collapse of the ruble. Stocks of all kinds of goods are falling, and it is increasingly difficult to replenish inventories.

The grain harvest this year is reported to have been only two-thirds of last year's, and the potato crop has been devastated by exceptional rains. People are buying up whatever is available in the shops — food, but also electronics, white goods, and anything that will enable them to transform their rubles into lasting value.

Imports are said to amount to as much as 80 percent of the food and goods consumed in Russia's cities. As export earnings have precipitously dropped, the country's ability to pay for imports is drastically reduced. The fall in prices of energy, Russia's most valuable export, was one of the main events triggering the present crisis.

Foreign loans thus have been crucial to Russia's ability to buy abroad, but unless the International Monetary Fund and the Group of Seven industrial na-

tions reverse their stated positions, there will be no more loans without policy changes — renewed "reforms," meaning austerity — that now seem extremely unlikely, if not impossible.

The internationalization of the urban economy has tended to cut them off from the regions, which have been forced into Carter and various forms of agriculture and industrial improvisation to survive. This actually leaves the regions in somewhat better condition to get through the winter. There is a strong tradition of peasant solidarity, and nearly everyone who has had access to dollars in recent years has put as many of them away as possible.

But while these resources will somewhat blunt the consequences of the ruble's crash, they only temporize with the fundamental problem that Russia is broke, heavily dependent on imported food and goods, and in for a terrible winter. If provisions and fuel are not assured, the population's reactions may become desperate.

Leaders of the European Union argue now that social cohesion and in-

situtional reform are much more important to Russia than the West has until now admitted. The West's insistence on market freedom and inflation control has been directed toward reassuring foreign lenders rather than Russia's citizens.

The Austrian foreign minister, Wolfgang Schüssel, says that the "European model" of capitalism "with its social security nets."

However, this change in the advice being offered to Moscow comes rather late to have much practical application. A planned EU mission will allow Europe to "better appreciate" what is going on in Moscow. There is no ring of urgency in that statement.

Europe has plenty of money and might have imposed its own views on reform earlier, but as is usually the case about the more important world issues, the EU prefers to leave it to Washington (which, of course, is the way Washington prefers it, too). But in this affair, as the Clinton visit to Moscow demonstrated, Washington has little to offer the Russians. They have abused Western confidence by allowing loans and aid to be stolen or squandered, and

no one is willing to go on with that.

Could something be done to deal with the fundamental problem of winter survival? The answer surely is "yes." Some good can be done through religious and other private volunteer groups able to organize direct measures of relief. However, the most important step that could be taken at this point would be to exempt food from the general cutoff of foreign aid and loans.

It would be possible for Western governments and agencies to finance Russia's basic imported food needs for the winter. This should be done without regard to the questions of basic economic reform, which are in the immediate term insoluble.

Given the policy paralysis in Washington, this would seem a matter in which the Europeans can and should take the lead.

It is, on the political and even moral planes, an opportunity to demonstrate West European solidarity with the Russian people.

It would be a measure of prudence, as well, for the peoples who share the cootient with Russia.

International Herald Tribune.
Los Angeles Times Syndicate.

Stand Up to North Korea's Missile Blackmail

By Gerald Segal

TOJKYO — When North Korea recently fired a Taepo Dong-1 missile with a range of 1,200 miles, there was a chorus of concern from South Korea, Japan, the United States and others. A U.S. official said that the missile test had the "potential to destabilize the entire region."

In reality, the test has little impact on East Asian security. Its importance is more in what it says about North Korea's predicament and strategy. If there is a military impact, it may well be felt further afield.

South Korea has every reason to be fearful of the North, but this missile adds little to the threat it already faces. Given the range, twice that of the previous No Dong missiles tested by the North, the weapon is clearly designed for more distant adversaries.

Japan is the main target. That the missile flight path crossed

Japanese airspace only reinforces the message. But while Tokyo has reason to be worried, it has no reason to exaggerate the risk. Japan has long been a target of Russian and Chinese missiles, and has relied on the U.S. strategic umbrella to deter attack.

The North Korean missile firing is more a test of the will power of Washington to sustain its alliance commitments in the region. Japan and the United States certainly have enough conventional military power to deter North Korea.

Pyongyang has spent much of the last decade demonstrating that it can pose threats to American security interests and blackmail the United States into paying blood money. The 1994 nuclear accord was a case in point, with Washington leading an international effort to supply North Korea with fuel and new

exact more foreign aid. This tough strategy has worked in the past and its continuation shows just how much Mr. Kim's government is under the control of hard-liners, especially in the armed forces.

This is not a North Korea ready to embrace interdependence with the outside world. It is a country that knows it is weak, but sees its enemies as being fragile, too.

South Korea's economic woes prompt North Korea to interpret President Kim Jong Il's current peace offensive as a sign of weakness. President Bill Clinton's travails are painfully obvious as is the seemingly structural weakness of the Japanese economy and political system. Recent crises of international capitalism are interpreted in Pyongyang as arguments against reform as a way out of the North's dire economic predicament.

The time has come for the United States and its allies to kick the habit of succumbing to North Korean blackmail. Pyongyang has little leverage if Japan, South Korea and the United States appreciate that the new 2,000-kilometer-range missile has relatively little impact on the military balance in East Asia.

North Korea, like the rogue states of the Middle East that it supplies with missiles and know-how, must be treated firmly. Those who reward Pyongyang's attempts at blackmail should not be surprised if Iraq or Libya try their own versions of the game.

The writer is director of studies at the International Institute for Strategic Studies in London and director of Britain's Pacific Asia Program. He contributed this comment to the International Herald Tribune.

Yes, It's Cheesy, but Not Enough to Lose the Presidency

By Maureen Dowd

WAshington — The president must not lose his job.

Not over this.

Certainly, Bill Clinton should be deeply ashamed of himself. He has given a bad name to adultery and lying. He has made wickedness seem pathetic, and that is truly a sin.

Kenneth Starr, all these millions later, has not delivered impeachable offenses. He has delivered a 445-page Harold Robbins novel.

If we are going to dump our president, it should be for something big and bold and black and original. Not for the most tired story ever told.

Middle-aged married man has affair with frisky and adoring young office girl. Man hints to girl he might be single again in three or four years. Man gets bored with girl and

dumps her. Girl cries and rants and threatens, and tells 11 people what a creep he is.

The dialogue in this potboiler, compiled with sanctimonious relish by Reverend Starr, is so trite and bodice-ripping that it makes "Titanic" look profound.

In fact, Monica identified with Rose, the zaftig young heroine of "Titanic." Last January, the former intern wrote the president what she called "an embarrassing mushy note" inspired by the movie, asking her former boyfriend if they could have sex (the lying down kind).

Despite the fact that it takes place in the most powerful spot on the planet, the romance does not sizzle.

Bill Clinton fancies himself

another Jack Kennedy and invokes his idol's name last week to defend himself. But Keuney is what's cool. His women were glamorous. The Rat Pack was good copy. He may have been just as immoral, but his carousing at least had style.

Mr. Clinton's escapades are just cheesy and depressing. The sex scenes are flat, repetitive, juvenile and cloying, taking place in the windowless hallway outside the Oval Office study or in the president's bathroom.

The props are uninspiring. Monica always pretends she's carrying papers to get into the Oval Office, and she gives the president a frog figurine, a letter opener decorated with a frog and "Oy Vey! The Things They Say: A Guide to Jewish Wit."

Monica recalled, "I asked him why he doesn't ask me any questions about myself, and... do you have some interest in trying to get to know me as a person?"

By way of riposte, she said,

The dialogue in this potboiler makes "Titanic" look profound.

the president laughed, said he cherished their time together and then "unzipped his pants and sort of exposed himself."

When she complained to the president that she had not had any hugs for months, he quipped, "Every day can't be sunshine."

Thankfully, Mr. Clinton grew tired of his little pizza girl. She sensed he was "putting up walls."

"This was another one of those occasions when I was babbling on about something," she said of their last rendezvous, "and he just kissed me, kind of to shut me up, I think."

He didn't call. She didn't write. She began to suspect she was being "strung along." Trapped in a stereotype, Monica became the raging, vengeful Glenn Close character in "Fatal Attraction."

"PLEASE DO NOT DO THIS TO ME," she wrote in a draft of a note to the president.

Now if the president was taking Monica's advice on education reform, that might be an impeachable offense.

She sent him a note that reads:

"I am not a moron. I know that what is going on in the world takes precedence... I need your right now as president, but as a man. PLEASE be my friend."

Getting nervous over her fits, Mr. Clinton reminded her, "It's just want it to be given to me."

She sent the president a "wishlist" of jobs ("I am NOT someone's administrative/executive assistant") and enclosed an erotic postcard and her thoughts on education reform.

Now if the president was taking Monica's advice on education reform, that might be an impeachable offense.

She sent him a note that reads:

"I am not a moron. I know that what is going on in the world takes precedence... I need your right now as president, but as a man. PLEASE be my friend."

This is the document on which the fate of the Republic has been hanging. These are not grounds for impeachment. These are grounds for divorce.

The New York Times.

Letters intended for publication should be addressed to "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1988: Manila Standoff**

PARIS — [The Herald says in an editorial:] General Osi, who has been in command of the United States troops in Manila since the departure of General Merritt, was compelled a few days ago to serve an ultimatum upon Aguirre, ordering him to withdraw all the insurgent forces from the suburbs of the city by Sept. 15th. The Herald's correspondent in Manila cables that the "dictator" will probably yield. In the event of a refusal, the American troops must proceed to drive the insurgents out by force of arms. That the United States Government realizes the gravity of the situation is shown by the proposal to reinforce Admiral Dewey's squadron with the Brooklyn and Oregon.

Is Mr. Clinton to blame? Abso-

lutely. He should never have had extramarital sex. He should never have had it with a young intern in the White House. He

should never have involved others in his escapades, and he should never have lied about it all when, last January, he was essentially caught. He is, as we all now know, a scoundrel man.

The coast of lower California

according to reports reaching here, which state that the town of San Jose del Cabo has been wiped out. The reports indicate that the 500 inhabitants of the town saved themselves by rushing into the hills and that several steamers narrowly escaped destruction at various ports. The tidal waves are believed to have been

HEALTH/SCIENCE

TOMORROW'S
STUFF

A Frustrating Quest for a Frozen Virus

By John Noble Wilford
New York Times Service

NEW YORK — Digging in a cemetery on the Arctic island of Spitsbergen, Norway, medical scientists found the seven coffins they were looking for, but the coffins lay in shallow graves — not what they wanted to find. They had hoped they would be six feet deep, in permafrost, where the bodies would still be frozen and well preserved 80 years after dying in the terrible influenza pandemic of 1918.

The scientists would not describe the condition of the seven bodies after years of seasonal freezing and thawing. But they said the victims, young coal miners, appeared to have been buried in haste, probably out of fear of the contagion that had claimed their lives. Their bodies had been buried without clothes, wrapped only in newspapers. The graves were no more than three feet deep, above the permafrost line.

Even so, members of the exhumation project said they got what they came for: samples of tissue from six of the flu victims (they did not have permission to sample the seventh). They denied earlier published reports that the coffins contained only

bones and no retrievable tissue specimens.

Kirsty Duncan, a Canadian medical geographer who directs the project, said the pathologists were able to get more than 100 soft-tissue samples, including several from the lungs. Biologists will be examining the lung tissues in particular for traces of the mysterious flu virus that killed more than 20 million people worldwide in 1918 and early 1919. They are looking for clues to why that contagion was so much more virulent and lethal than any flu virus before or since.

"We got good stuff, really good stuff," Dr. Duncan, a professor at the universities of Windsor and Toronto, said in an interview by telephone from her office in Toronto. "Virologists on the team are very hopeful."

Robert Webster, a virologist at St. Jude Children's Research Hospital in Memphis, Tennessee, was more cautious:

"The samples were not exactly what we thought we were going to get. How much we're going to find out from them remains to be seen."

Research over the last five years by Dr. Duncan had pinpointed these seven graves in Longyearbyen — the principal community on the island of Spitsbergen, about 1,100 kilometers (700 miles) from the

North Pole — as the most promising place to look for well-preserved specimens of the 1918 virus.

With new techniques in molecular biology and genetics, perhaps such long-frozen specimens could now reveal why that virus was one of the most lethal organisms that ever attacked humans. The knowledge might help fight future outbreaks.

The state of the specimens has not altered the overall plans for laboratory testing.

The samples are being shipped to London for the first round of analysis by scientists at the National Institute of Medical Research and the London Hospital Medical College. Specimens will later be distributed to scientists in Canada, the United States and Norway.

Scientists said they know in three months if the samples were likely to yield significant results, after which they might spend an additional three years on further analysis.

"It will be harder work than if the tissues had been frozen," Dr. Webster said, explaining that the degraded tissues probably contain only scraps from the genetic material of the flu virus, which may present problems in reconstructing the structure of genes critical to the virus's

infectious behavior. "We might get less out of the samples than we initially hoped," he added.

Dr. Webster said the lung tissues would probably be the most useful, because flu viruses spread by infiltrating the cells lining the respiratory system and thus should have left traces there. They were not able to take lung samples from all six bodies, he said. This suggests some bodies were badly decomposed.

Some samples were also taken from other organs. Researchers have speculated that the 1918 variant of the flu virus might have been especially virulent if it somehow attacked throughout the body, not just in the respiratory system.

HE scientists said they were confident that the exhumed bodies were those they were looking for.

The bodies were clearly once strapping young men. The seven victims were 18 to 29 years old when they came to Spitsbergen from the Norwegian mainland to work in the coal mines, but they contracted flu on the boat. All of them died in the first week of October, at the height of the global pandemic.

Surveys with ground-penetrating radar led the team to think the coffins were six feet deep. The radar detects dif-

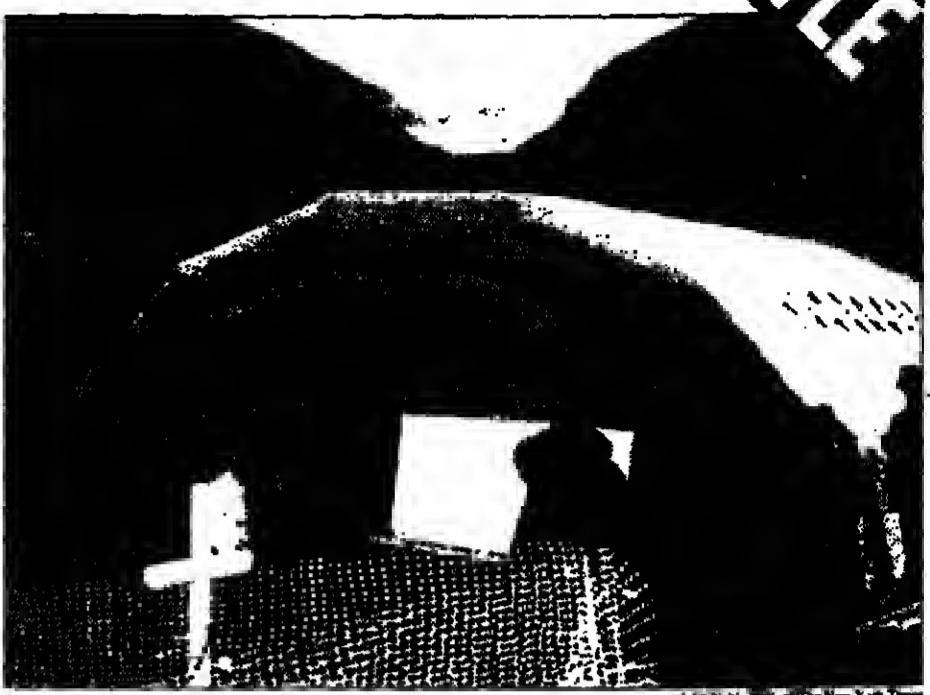
ferences in subsurface densities and textures, indicative of disturbed conditions or buried objects.

In this case, suggested Dr. Duncan, the team leader, the gravediggers in 1918 might have used dynamite to break up the permafrost down to 6 feet below the surface, which would have left radar traces of disturbed ground at that depth. Then, in haste, they might have buried the coffins in shallow graves without clearing out the dynamited rubble.

The Spitsbergen exhumations are only part of a quickening scientific quest to identify the 1918 flu virus and determine its lethal power. The team that has made the most progress is led by Jeffrey Taubenberger, a biologist at the Armed Forces Institute of Pathology in Washington.

Ann Reid, a molecular biologist working with Dr. Taubenberger, said the team had completed a significant step in understanding the 1918 flu virus by decoding the sequence of units comprising one of its important genes. This is the hemagglutinin gene, which directs the production of proteins that enable the flu virus to attach itself to a cell in the respiratory system.

Dr. Reid said the decoding of a second critical component



Members of the exhumation project entering a protective tent on Spitsbergen. (John Noble Wilford/The New York Times)

immune system produces antibodies that cover the outer part of the virus, disabling the virus's mechanisms for invading cells.

Asked whether the genetic decoding of the 1918 virus had revealed anything to make it clear why it was such an unusually deadly strain, Dr. Reid said, "Nothing I could call a smoking gun."

An understanding of hemagglutinin and neuraminidase is central to preventing and fighting flu. When attacked by flu or in response to flu vaccines, the body's natural

immune system produces antibodies that cover the outer part of the virus, disabling the virus's mechanisms for invading cells.

"There was an outbreak in the spring of that year, and then something took place in that summer that made the virus more lethal," Dr. Reid said.

"Maybe this will give us a clue."

Replacing Hormone Replacement

By Jane E. Brody
New York Times Service

NEW YORK — Making an informed decision about whether to take replacement hormones during and after menopause is hard enough for women with no previous health problems. It is far more difficult for a woman who has had breast cancer or who has a strong family history of this most common cancer in women. Because estrogen can stimulate the growth of a breast cancer, women and their physicians are understandably reluctant to consider hormone replacement for someone at high risk of developing a new or recurrent cancer.

But this means that such women may miss health benefits of estrogen after menopause, among them reduced risk of heart disease, osteoporosis and Alzheimer's disease, as well as diminished menopausal symptoms like hot flashes, night sweats and vaginal dryness.

The announcement that the Food and Drug Administration is recommending approval of the drug tamoxifen to reduce the risk of developing breast cancer provides another, though imperfect, hormone replacement option for high-risk women. Though it has drawbacks, this so-called designer estrogen also offers women who take it an opportunity to glean some of the benefits of estrogen replacement, such as reduced risk of cardiovascular disease.

But these questions remain: Can some former breast cancer patients safely take hormone replacement, and if so, which ones? Are there reasonable alternatives that will grant women at least some of the benefits of estrogen without adding to their concerns about developing a new or recurrent cancer?

The answers concern millions of women worldwide who have survived

breast cancer, and those at high risk of the disease.

Estrogen plays a critical role in the initiation and/or promotion of breast cancer. Many studies have shown that the longer a woman's breast is exposed to high levels of estrogen, the greater her chances of eventually getting breast cancer. The cells of most breast cancers have receptors for estrogen and respond to the hormone's growth-stimulating effects. Patients with these cancers are typically given treatments to block the effects of their own estrogens.

Recent findings strongly suggest that this increased risk extends to postmenopausal women who take replacement hormones, either estrogen alone or estrogen with progestin (the latter is added to protect the ovaries from estrogen's growth-stimulating effect). For each year that women take these hormones, their risk of developing breast cancer rises slightly, by an amount roughly equal to the increase associated with a one-year delay in the onset of menopause. After 10 years on hormone replacement, according to the experience of 80,000 nurses, the increase in risk is about 30 percent.

Further evidence of estrogen's influence on breast tissue comes from the effects of designer estrogens like tamoxifen. These substances act as weak estrogens and block the action of natural estrogens in some tissues but not others. Tamoxifen has been shown to help prevent new or recurrent breast cancer apparently by blocking the stimulating effects of a woman's own estrogen on breast tissue. Preliminary evidence was presented recently for a second designer estrogen, the bone-building drug raloxifene, which seemed to reduce a woman's chances of developing breast cancer.

Though not ideal substitutes for the real thing, designer estrogens offer high-

risk women some estrogen benefits. Tamoxifen, for example, does reduce cardiac risk, but not to the extent that estrogen does. But like estrogen, tamoxifen also stimulates cell growth in the uterus and increases the risk of uterine cancer. Raloxifene, marketed as Evista to help prevent osteoporosis, also has some of estrogen's cardiovascular benefits and, unlike tamoxifen, it does not stimulate uterine cell growth.

So what are the options for a menopausal woman who has had breast cancer and is at high risk of getting it?

First and foremost, she needs to adopt the healthy habits known to or strongly suspected of reducing the risk of heart disease, osteoporosis and Alzheimer's: quitting smoking; maintaining a normal body weight; doing regular weight-bearing exercise like brisk walking or strength training; reducing consumption of meat and dairy fat, sugars and refined starches, and eating more vegetables, whole grains, beans and fish.

ALSO, a postmenopausal woman, even if she takes hormones, should consume at least 1,500 milligrams of calcium a day (from nonfat dairy products like yogurt and skim milk, calcium-rich vegetables and calcium-enriched orange juice supplemented, if needed, by calcium tablets). She might also take a daily supplement of Vitamin E (200 to 800 international units, to protect against heart disease and Alzheimer's) and Vitamin D (to bring her daily total to 800 international units, for proper absorption and use of calcium).

Many menopausal women have recently turned to the lowly soybean as a substitute for replacement hormones, but the jury is still out on how effective it is. Soy contains weak estrogens called isoflavones, which may mimic some of the effects of natural estrogen.

IN BRIEF

Eliminating E. Coli Bacteria From Cows

NEW YORK (NYT) — Microbiologists at Cornell University have found a way to virtually rid cattle of harmful strains of E. coli bacteria, including the bacteria that have caused scores of deaths and sickened thousands of consumers of undercooked hamburgers.

Their studies, described in the journal *Science*, demonstrated that the grain-based feedlot diet usually fed to cattle before slaughter fosters the growth of E. coli bacteria, some of which can cause disease. Among the dangerous strains that can survive when cattle are fed grain is E. coli O157:H7, the most deadly E. coli known.

The findings were met with enthusiasm by both the cattle industry and food safety experts. Agriculture Secretary Dan Glickman said in a statement, "This deceptively simple finding, if confirmed by further research, has the potential to greatly assist our efforts to fight food-borne illness."

Grain feeding helps make beef tender and fatty and is considered the most economical way to feed cattle before slaughter. But the researchers found that if cattle were switched to a diet of hay or fresh grass for five days before slaughter, the possibility of infection from meat contaminated with the deadly strain could all but be eliminated.

A New Drug to Fight Depression

WASHINGTON (AP) — Scientists may have stumbled onto a new way to treat depression: an experimental drug that targets a mysterious brain chemical that doctors did not know was at work in mental disorders. Merck & Co.'s drug, the subject of an account published in *Science*, works on a chemical pathway that differs from every antidepressant sold today and offers hope to patients who get no help from standard therapies.

"This is really very important," said Steven Hyman, director of the National Institute on Mental Health, who is familiar with the findings. "To everybody's surprise, it was robustly effective for depression."

Americans spend about \$3 billion a year on drugs to battle depression, drugs that do help many patients, but that can cause serious side effects.

Also, about 20 percent of patients get no help from today's medicines, which all target either serotonin or norepinephrine, brain chemicals called neurotransmitters, Mr. Hyman said. Merck says its new drug, MK-869, targets a brain chemical called substance P. In a study of 213 patients with moderate to severe depression, Merck tested MK-869 against Paxil, a popular antidepressant, or against a placebo. During the six-week study, MK-869 relieved depression as effectively as Paxil did, but with fewer side effects, the company asserted.

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Sept. 11

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As Crisis深重

CURRENCY RATES

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Dept. 11, 11th Floor

Herald Tribune

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CYBERSCAPE

Internet's Historic Day

Millions Jam Web to Read Starr Report

By Linton Weeks
and Leslie Walker
Washington Post Service

WASHINGTON — In the brief history of news on the Internet, Friday broke all records. In offices, homes, schools and public libraries across the country, people with access to the Internet were scrolling through the 453-page report of the Office of the Independent Counsel — the Starr report — which was posted complete with a detailed table of contents and corresponding links to passages.

Amazingly, perhaps, the glitches were minor and the Web did not unravel.

A spokeswoman for MSNBC, whose Web site is one of the most heavily visited on the net, said traffic was almost twice its previous high — 1.1 million unique users — set when President Bill Clinton gave his grand jury testimony Aug. 17.

Erin O'Shea of *Washingtonpost.com* said the newspaper's site had probably tripled its previous record of page views. "It's unprecedented," she said. "We're almost maxing out."

The fact that the full 453-page document was posted on a multitude of commercial sites — as well as the quartet of spots designated by the House of Representatives — alleviated the snarly situation. There were delays at some Web sites and snags in others.

Anxiety mounted even before the report was uploaded. *Washingtonpost.com*, for instance, was overwhelmed by traffic around 2 P.M. Friday and was unavailable for several minutes. The computers that serve the Web sites of the House of Representatives, the Government Printing Office and the Library of Congress were publicly accessible only intermittently.

The official sites were well behind some news organizations in making the report available to the public. Several news sites, including The Associated Press and CNN, posted the report sometime before 3:30 P.M. Technicians at the Library of Congress did not even receive a disk containing the report until 3:45.

The House published the Starr report on its private "intranet" first, making sure that members of Congress had access before the public did. Congressional staff members then quickly downloaded the report and gave copies to reporters. Sources said that why several news organizations posted the report on the Web before it was available on the government's public sites.

Traffic immediately soared on the House servers, which logged 3 million hits an hour, up from the average of 66,000 hits an hour, said Jason Poblete, spokesman for the House Government Reform and Oversight Committee. "This is historic," Mr. Poblete said. "It worked the way it was supposed to work."

At the Government Printing Office, T. C. Evans, assistant director of electronic information distribution, said, "The good news is, our site is doing above average." The bad news, he added, is, "we're very, very slow."

Tony Rimovsky, a computer expert for the National Center for Supercomputing Applications in Illinois, said he doubted that the heavy traffic at the Starr report sites would affect the Internet in general.

"The Internet is completely decentralized," Mr. Rimovsky said. "As a result, there is no single point of failure or single point of congestion."

Late Saturday afternoon, Kun Gray of Internet Traffic Report in Acton, Massachusetts, said that he had not bothered to monitor on-line activity recently. He was too busy reading Keo Starr's report on the BBC Web site.

The American Library Association, anticipating reaction from parents whose children access the report on library computers, issued a statement saying the decision was up to parents. Some software companies that produce Internet filters reported receiving numerous

requests from parents to block access to the Starr report for their children.

There are many ironies to the House decision to publish the explicit report on-line, say those who have monitored the efforts by federal lawmakers to restrict on-line access to indecent materials. In 1996 Congress passed a bill — later struck down by the Supreme



In the House print media gallery, reporters crowded around a computer terminal to search for the Starr report when it was released on the Web.

Court — aimed at punishing those who would make "indecent" and "patently offensive" materials available to minors via computer.

Internet address:
CyberScape@ihi.com

Recent technology articles:
www.ihi.com/HTTECH/

As Crisis Hobbles Dollar, Calls Mount for Rate Cuts

By Carl Gewirtz
International Herald Tribune

PARIS — With increasing stridency, analysts are urging rapid and collective cuts in interest rates to flood global markets with cash and relieve growing tension in financial markets.

The possible impact such an opening of the spigots by governments might have on inflation, or the possible "mortal hazard" it might face through sparing investors losses on otherwise imprudent investments, is insignificant, these analysts insist, compared with the dangers of allowing the turmoil to spread.

Fueled by uncertainty about President Bill Clinton's ability to continue governing, the crisis that has mauled equity markets and most bond markets moved last week to the foreign exchange market, snaring the dollar.

The speed of the dollar's decline against the major European currencies, to levels not seen since May 1997, has increased expectations of further substantial losses.

The dollar is especially exposed in the current situation. Capital flows worldwide are drying up. But without such inflows, the dollar is exposed to considerable weakness due to the already large and still widening U.S. trade deficit. That shortfall is a lifeline to the ailing economies of Southeast Asia and Latin America, which count on increasing exports to finance their own recoveries.

But what most worries analysts now is that increasingly markets — and in particular the foreign exchange market — are not being driven by economic fundamentals. Instead, they say, trading conditions have been made hectic by the indiscriminate withdrawal of liquidity as risk-averse investors retreat to the sidelines, depriving markets of the normal two-way basis.

"Reduced liquidity is both a consequence of increased foreign-exchange volatility and a cause of greater volatility

going forward," said Paul Meggyesi, a Deutsche Bank analyst in London.

At Morgan Stanley Dean Witter in New York, Stephen Roach said that the only way to arrest the indiscriminate flight of investors from virtually all traded assets is for coordinated government action "to provide liquidity to increasingly illiquid financial markets."

"In such a climate, global investors are unwilling or unable to differentiate between the structurally impaired economies of Asia and Russia and the more virtuous economies of Latin America, the United States, Canada, and Central and Eastern Europe," he said.

"There's nothing more important than restoring investor confidence," he said.

The sense of urgency is no less great at Banque Paribas, whose London-based analyst Paul Mortimer-Lee called

on governments to reflate, inflate, reschedule and lend. Without radical action, he said, "the vicious spiral of asset price falls, increased solvency risks and credit crunches will intensify."

"Panic requires action by the authorities" and that, he said, means rate cuts. But he added that rate cuts alone would not address questions about solvency.

Japan cut rates last week, with the administered cost of overnight money falling by half to 0.25 percent. But with rates already so low, analysts said they suspected that the Bank of Japan had been primarily concerned about financial system stability in the approach to the close of the fiscal half-year on Sept. 30.

Mr. Mortimer-Lee read it as "a signal that something very, very bad is about to happen in Japan's financial system." Initially, as would be expected, the rate

cut caused the yen to weaken sharply. But by the end of the week, it had recovered to levels not seen since April as the rate cut fueled a rally in the bond market. That caused a massive reshuffling of positions that caused the yen to surge. The dollar finished the week at 130.675 yen.

While some analysts expect the yen to reverse in October, when the repatriation of foreign profits has ceased, others say that with investor withdrawal from foreign markets the yen, along with the Swiss franc and the Deutsche mark, is likely to remain strong.

The worst-performing currencies over the past month, Mr. Meggyesi said, have been "the U.S., Australian and Canadian dollars — all big international debtors which need continuous inflows of capital to finance sizable current-account deficits."

China's exports to Japan fell 4.3 percent, to \$13.7 billion, in the first half of the year from the first half of last year, according to Chinese customs statistics. Japanese foreign direct investment in China declined 30.7 percent, to \$1.16 billion, in the first half.

The lower growth in trade and investment has helped slow Chinese economic growth to 7 percent in the first half of 1997. The slowdown is complicating efforts to reform state industries, long protected

China and Japan Set Talks on Asian Crisis

Tokyo Woes Threaten Beijing's Growth Goals

Compiled by Tom Stoen from Reuters

BEIJING — After months of acrimony over Tokyo's faltering economy, China and Japan will hold talks Monday on how to cope with the regional financial crisis.

The daylong meeting between senior Chinese and Japanese officials is the first attempt by the two countries to ease tensions over Japan's ailing economy and weak yen and to seek constructive ways to deal with the crisis.

China finds itself in the enviable position of enjoying stronger growth than its wealthier neighbor. Thanks to the fact that its currency, the yuan, is not fully convertible, Beijing is cushioned from the volatility that has struck other Asian financial markets. Although economic growth may not reach the government's 1998 target of 8 percent, it is bound to exceed that of Japan, where the economy has shrunk for three consecutive quarters.

But Tokyo's economic woes are deeply troubling for China. Japan is its largest trading partner and one of its biggest investors. Slack Japanese demand for Chinese exports is dragging down the economy just as state industries lay off millions of workers to adjust to market-style reforms.

Tokyo has harangued Tokyo for months over its inability to turn its economy and currency around, accusing it of not doing its part to help ease the Asian crisis.

Chinese economists quoted Sunday in the state-run China Daily, dismissed the rebound by the yen last week as short-lived. Li Guobin of the State Information Office noted Beijing's efforts to increase public spending to revive domestic demand and offset losses from Japan and other Asian markets.

At the meeting Monday, Deputy Foreign Minister Koichi Haraguchi of Japan and Deputy Foreign Trade Minister Sun Zheoyu of China will lead delegations of trade and finance officials.

President Jiang Zemin's cancellation of an official visit to Japan last week, due to catastrophic floods in China, has accentuated the importance of the gathering.

While the two countries' economies are deeply intertwined and their influence within Asia great, they have not found ways to cooperate over the regional crisis. Although ties have improved in recent years, distrust lingers from Japan's brutal 1931-1945 occupation of much of China and the two countries' aspirations for dominance in Asia.

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The lower growth in trade and investment has helped slow Chinese economic growth to 7 percent in the first half of 1997. Xinhua reported.

China Protests U.S. Curb on Beetle-Ridden Wooden Crates

BEIJING — China has expressed irritation at emergency U.S. restrictions on Chinese exports packed in untreated wooden crates, and hinted at retaliation if the United States failed to reconsider the measure, state media reported over the weekend.

New U.S. restrictions intended to prevent a destructive beetle from infesting U.S.-bound exports were "irrational" and would hinder economic cooperation, a Chinese government spokesman said Saturday.

The United States announced Friday that Chinese exporters must fumigate or treat with heat or preservatives wood crates and pallets carrying Chinese goods to the United States. The ban would affect between 30 percent and 50 percent of China's exports to the United States.

The U.S. restrictions, to take effect in 90 days, are aimed at eradicating the Asian long-horned beetle, which can ravage hardwood trees and forests.

China "opposes trade protectionism of various forms," and has appealed the decision, the Chinese spokesman told the Xinhua news agency.

The unilateral action taken by the U.S. could impact the normal development of Sino-American trade, and would damage economic cooperation between the two countries," Xinhua reported.

"China expresses concern and regret over the matter, and reserves the right to further reactions," the report said.

As much as one-half of China's \$62 billion in annual exports to the United States is packed in wooden crates and would be subject to the restrictions, said Dan Glickman, the secretary of agriculture. But he added that if China took the proper steps, the move would not affect its exports.

(Reuters, AP, Bloomberg)

CURRENCY RATES

Cross Rates

	U.S.	E.	D.M.	F.	Yen	£	S.F.	Sw.	CS	Peru
U.S.	1.00	1.2185	1.2365	1.1144	—	0.4805	1.2025	1.2087	1.2025	1.2025
British	0.7875	1.00	1.0295	1.0122	—	0.3175	0.9825	1.0122	1.0122	1.0122
French	1.085	1.2849	—	1.0285	1.0000	0.4625	1.2911	1.2911	1.2911	1.2911
Germany	1.0285	—	1.00	1.0285	1.0285	0.4212	1.2125	1.2125	1.2125	1.2125
Japan	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
Switzerland	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
Australia	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
Canada	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (24 hr.)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (30 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (60 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (90 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (120 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (180 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (240 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (360 day)	1.0211	1.2011	1.2011	1.0211	1.0211	0.4172	1.2011	1.2011	1.2011	1.2011
U.S. (480 day)	1.									

CAPITAL MARKETS ON MONDAY

Market Anxiously Awaits a Fed Rate Cut*By Fred Dierckx*

The rally that drove yields to record lows reverse course unless the Board cuts interest half a percentage point a year, investors said. Treasury securities of all below the Fed's 5.5 percent overnight loans between time that has happened. Unless the Fed lowers rates, it has handed 30-year bond returns of about 13 percent it could come to a screeching

investors expect the Fed to shift point cut on Sept. 29, when it meets next. They say the odds to lower rates to help quell the turmoil overseas and buttress economic growth.

Federal officials do that, "They will

have effectively confirmed what the market has done," said Closson Vaughan, a money manager at Closson Partners LLC in Washington.

"If the Fed eases only 25 basis points and says it's only an insurance-policy step, two-year notes are going to get killed," Mr. Vaughan said. A basic

U.S. CREDIT MARKETS

point is one one-hundredth of a percentage point.

The U.S. Treasury market will likely continue to take its cue next week from U.S. share prices, although Alan Greenspan's testimony before the House banking committee this week will also grab its share of market focus, traders and analysts said.

Mr. Greenspan, the chairman of the Federal Reserve Board, testifies to Congress on Wednesday in a public hearing

on recent global economic developments.

Kevin Flanagan, an economist with Morgan Stanley Dean Witter, said economic reports "will continue to be put on the back burner," while "development within the Beltway" should dominate trade through their impact on the U.S. stock market.

Also next week, any possible signs of stability in share prices — and the Clinton presidency — would likely prompt some selling in Treasury bonds, despite expectations of a U.S. rate cut, Mr. Flanagan said.

The threat of profit-taking aside, Treasury bonds may draw buyers if Latin American markets extend their slide, said Mark Savigne, a trader with Chase Securities.

Bonds fell Friday for the first time in three days, as stocks rose and investors balked at the low yields. Even

so, the 30-year yield fell 6 basis points on the week, to 5.23 percent.

"It's dangerous in here," given how low yields have fallen, said Jim Somers, who manages \$2.5 billion at Martindale Andres & Co. in West Conshohocken, Pennsylvania. "The Fed has to go to ease, probably 100 basis points to support the levels we're at right now — at least."

Predictions of a rate reduction have increased since Sept. 4, when Mr. Greenspan said U.S. economic growth would probably slow because of recent declines in global markets.

"It's just not credible that the United

States can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress," Mr. Greenspan said.

Investors took his remarks as a hint the Fed would lower rates if the financial crises in Asia and emerging markets worsen. It last changed its target for the federal funds rate in March 1997, raising it a quarter point.

Christopher Runkey, an economist at Bank of Tokyo-Mitsubishi, said he did not expect the Fed to reduce rates that much, although he is calling for a cut of a quarter percentage point on Sept. 29.

"The Fed doesn't cut rates aggressively unless U.S. citizens are being laid off, and that isn't happening," he said.

Others agree that the strength of the U.S. economy may deter the Fed from cutting rates as much as some investors anticipate. The unemployment rate, at 4.5 percent in August, is near its lowest level in almost three decades, while low mortgage rates are fueling a boom in the housing market. As recently as its July meeting, the Fed indicated it was more likely to raise than lower interest rates.

(Bloomberg, Market News)

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 11. Prices supplied by Telekurs.

Rank Name Cpt Maturity Price Crd Yld

Argentine Peso

212 Argentina 83 12/13/98 95.5891 9.1500

Austrian Schilling

150 Austria 5 07/15/08 105.1500 4.7400

170 Austria 64 07/15/27 115.6000 5.4100

Belgian Franc

158 Belgium zero 12/10/98 91.1469 3.4100

British Pound

137 Fonda Mo 4% 04/07/02 100.4703 6.8400

183 Alliance Lic fm 7.539 05/09/02 99.7600 7.5200

224 E16 6 11/26/04 104.2750 5.9800

244 Northwest 64 07/07/21 99.5000 4.5200

247 British 64 12/07/21 103.8800 4.1800

Danish Krone

22 Denmark 8 05/15/03 111.7200 4.9700

22 Denmark 7 11/15/07 112.2000 4.9100

36 Denmark 8 03/15/06 121.1600 6.6100

49 Denmark 6 11/15/09 110.8000 5.4300

52 Denmark 7 11/10/24 121.2500 5.7700

54 Denmark 6 11/15/09 109.5000 5.4200

60 Denmark 9 11/15/00 102.5000 8.2400

70 Denmark 6 12/15/99 101.7800 5.9200

70 Denmark 7 12/15/04 113.7200 6.1700

84 Denmark 6 11/15/04 122.2000 5.6800

100 Redicredit 6 10/01/99 98.1000 6.1200

114 Denmark 9 11/15/00 100.8000 8.9400

124 Nykredit 7 10/01/99 98.1000 4.0400

188 Nykredit 6 10/01/02 100.5000 4.0000

194 Redicredit 7 10/01/29 100.5500 4.9400

Deutsche Mark

1 Germany 5 07/04/07 113.7500 5.2700

2 Germany 54 07/04/08 107.1000 4.9000

3 Germany 49 07/04/08 102.5802 4.5100

4 Germany 5 11/15/09 104.8000 5.4300

5 Germany 6 11/15/09 103.725 4.3400

6 Germany 49 05/19/03 103.4600 4.2300

9 Germany 6 01/15/06 112.7100 5.3300

12 Germany 6 07/22/01 121.5000 5.2700

13 Germany 4 04/14/00 101.534 3.9900

14 Germany 49 05/17/02 108.1003 4.2300

15 Germany 5 11/12/02 105.2450 4.7300

16 Germany 4 11/12/02 105.2414 4.7300

17 Germany 7 04/12/02 101.1100 5.2000

18 Germany 6 01/21/02 113.2423 7.0200

19 Germany 64 05/21/99 107.7800 5.8700

20 Treuhahn 75 12/02/02 113.3559 6.5000

21 Germany 64 07/22/01 113.3559 6.5000

22 Germany 64 07/22/01 118.6564 5.2600

24 Germany 94 64 07/14/24 118.6564 5.2600

26 Germany SP zero 22/06/08 5.3400

29 Germany 54 02/21/01 108.5000 5.2700

31 Germany 54 02/21/01 108.5000 5.2700

32 Germany 4 06/20/16 115.5571 5.1900

33 Germany 4 12/17/99 109.5600 4.2100

35 Germany 64 04/26/04 109.5985 5.7000

37 Germany 54 05/22/04 109.5985 5.7000

38 Germany 75 11/14/00 119.0000 4.2300

39 Germany 5 05/21/01 109.2323 4.8500

40 Germany 4 03/17/00 108.3000 3.9700

42 Germany 54 05/21/01 108.3000 3.9700

43 Treuhahn 75 09/09/04 118.9860 5.3400

44 Germany 64 08/19/02 99.1339 4.5400

45 Germany 64 07/15/02 100.7000 4.5400

46 Germany 64 02/22/03 112.7900 5.9800

47 Treuhahn 75 10/01/02 115.4113 4.7200

48 Germany 4 09/17/99 105.3400 3.9800

50 Germany 64 07/15/02 112.6300 5.8000

52 Germany 54 11/20/00 103.6164 4.9500

55 Germany 54 05/15/00 103.6000 5.6000

57 Germany 64 09/20/01 109.3547 7.5100

61 Germany 64 07/15/02 112.4290 5.8000

63 Germany 64 07/15/02 112.5150 5.8700

65 Treuhahn 64 07/09/02 112.5150 5.8700

67 Germany 74 10/21/00 113.6462 5.8000

71 Germany 84 08/20/01 114.3300 7.6200

77 Germany 30 06/18/99 100.0000 3.5000

Finland

208 Finland 10 09/15/01 108.8510 9.1900

241 Finland 4 04/24/00 111.3084 5.3900

French Franc

111 France OAT 54 04/25/08 108.1000 4.8600

Swedish Krona

215 Sweden 13 06/15/07 121.9800 10.6400

228 Sweden 180 05/03/08 109.2110 9.2800

232 Sweden 64 06/03/08 107.5500 5.5800

250 Sweden 9 04/20/07 134.0500 6.7100

U.S. Dollar

7 Argentina FRN 4% 03/29/05 45.6871 10.0000

11 Brazil FRN 5 04/15/14 42.9440 7.7800

25 Brazil FRN 64 04/15/14 54.5764 12.0200

26 Brazil FRN 64 04/15/14 42.7600 7.7800

27 Argentina FRN 5 04/15/14 52.5171 10.3800

28 Argentina FRN 64 04/15/14 52.5171 10.3800

29 Argentina FRN 5 04/15/

Fleeing Asia, Fund Manager Goes European

By Lawrence Strauss
New York Times Service

Managing money for Waddell & Reed Investment Management in the rolling hills of Overland Park, Kansas, Thomas Mengel is a long way from his European roots.

Born in what was then West Germany, he spent many of his school years in Milan, and he speaks four languages. And although he says he enjoys the "very livable" quality of life near Kansas City, he acknowledges missing Italy's Renaissance architecture as well as his relatives and friends in Europe.

But Mr. Mengel, 41, has a place for Europe in his portfolio as well as his heart. His stock-picking over the last two years has had a strong European bent, allowing him to take advantage of formidable European market gains as he avoided disastrous sell-offs in Asia and Latin America.

His fund, United International Growth, with \$1.19 billion in assets, is now about 75 percent invested in Europe, mostly in mid- and large-capitalization stocks. Since he began managing the portfolio in May 1996, it has returned 18.3 percent annually, on average, through Sept. 4, compared with just 3.8 per-

cent for the average foreign stock fund, according to Morningstar Inc., the Chicago financial publisher.

(The \$31.8 million Waddell & Reed International Growth fund, also run by Mr. Mengel, has a similar percentage in European stocks, but it includes many smaller-cap issues. Since he became manager in May 1996, the fund has returned 22.3 percent annualized through Sept. 4.)

Mr. Mengel's stock-picking is

INVESTING

best described as eclectic. He combines attributes of growth and value investing in what is often called a "growth at a reasonable price" orientation.

While he crutches financial data on individual companies and insists on meeting face to face with their management, Mr. Mengel keeps an eye on macroeconomic developments, too.

That is what prompted him to flee Asia last year, escaping much of the carnage those markets have inflicted on international funds. Among the sell signals were a commercial real estate glut in Thailand, overcapacity in the Indonesian cement industry and a regionwide increase in non-performing loans. He began trimming the holdings at the beginning

of the second quarter of 1997.

"We were very concerned," Mr. Mengel said. "Maybe we didn't see the full magnitude, but we were concerned about overpriced assets."

From an 11 percent position in Asian stocks, excluding Japan, at the start of 1997, the fund had eliminated its exposure by the end of October.

Today, Mr. Mengel is still cautious about Asia. "We feel the balance sheets are still deteriorating, and there's a shortage of cash," he said. "The red light is blinking."

By contrast, Mr. Mengel believes strongly that Europe is moving in the right direction economically.

Many companies there are reorganizing, an encouraging trend to him. He is pleased that stock buybacks, common in the United States, are beginning to get legislative approval in some parts of Europe, including Germany and France.

And he surmises that the new European currency will be a major catalyst for further economic changes.

"I think it brings more competition to all of these companies," he said.

As such, some will win big, and some will lose big: fertile territory for a good stock-picker.

In recent weeks, though, he has

unloaded several European banking stocks, including Credit Suisse Group, because of its exposure to the Russian economic crisis. He has raised the portfolio's cash position to 25 percent of assets, from 17 percent in mid-summer.

One of Mr. Mengel's picks is Marschollek Lautenschlager & Partner, a German financial services company that Mr. Mengel considers an emerging powerhouse. The company aims at young professionals, offering financial planning, mutual funds and banking services.

Mr. Mengel bought the stock in 1996 at 160 Deutsche marks (\$94.43). It closed at 890 DM on Friday, and he said it could grow 30 percent over the next 12 months.

Mr. Mengel also likes TelePizza SA of Spain, which is in the pizza home delivery business, a relatively new phenomenon in Spain. The company, whose stock accounts for 1.2 percent of the fund's assets, controls 50 percent of the Spanish pizza market and has plans to expand into other countries.

Another major holding is a British company, Colt Telecom Group PLC. This company, which accounts for 1 percent of the fund's assets, is building local fiber optic networks in financial centers like Paris, Milan, Zurich and Frankfurt — and it is focusing on big compa-

nies for its customers.

Mr. Mengel also sees investment opportunities in France, where he contends that many equities are relatively cheap.

"While the country is a little behind the curve in terms of restructuring, they are catching up rapidly," he said. "Some of the companies are extremely well-positioned."

SHORT COVER

Malaysia Warns Money Changers

KUALA LUMPUR (AP) — The central bank of Malaysia said Sunday that it had threatened money changers that their licenses could be revoked if they hoard foreign currencies.

Money changers were also warned to sell currencies at the specified rates and keep the spreads between buying and selling rates below 2 percent, the bank said. It added that adequate supplies of foreign currency notes had been made available.

The steps follow complaints that money changers have been charging exorbitant rates, especially for the dollar, which has been officially pegged at 3.80 ringgit.

Meanwhile, 500-ringgit and 1,000-ringgit notes will cease to be legal tender July 1 to make it more difficult to smuggle the currency into the country.

Hong Kong Lifts Rules on Realty

HONG KONG (Bloomberg) — The government, moving to lift the faltering property market, on Sunday relaxed measures introduced in 1994 to counter real estate speculation.

The government cut initial deposits by half — to 5 percent — and removed a requirement that buyers pay a minimum 20 percent down payment after signing a purchase agreement.

In addition, the government said developers may offer 20 percent of new apartments for sale privately, up from 10 percent.

APEC Advances Toward Trade Pact

KUANTAN, Malaysia (Reuters) — The 18-member Asia Pacific Economic Cooperation forum said Sunday that it had achieved a "breakthrough" toward finalizing a trade liberalization agreement in nine "fast track" industry sectors.

Abdul Razak Rsmli, the Malaysian chairman of a meeting of senior forum trade officials, said negotiators had agreed to allow for reservations expressed by various economies and to provide greater flexibility in implementation.

Opposition from some APEC members, particularly Japan, at a June meeting of trade ministers held up agreement on a timetable for cutting tariffs and opening up trade worth about \$1.5 trillion in the nine sectors, including environmental goods and services, fish, forest and energy products, and toys.

For the Record

The Swiss government set an indicated price range of 330 francs (\$237.98) to 410 francs per share for its sale next month of up to 34.5 percent of the public telecommunications carrier Swisscom AG. (Reuters)

NEC Corp. is likely to post a net loss of about 10 billion yen (\$76.9 million) in the six months ending Sept. 30, its first such loss in five years, the daily Nihon Keizai Shimbun reported, due to the steep decline in computer chip prices and sluggish sales of communications equipment. (AP)

Finance Minister Dominique Strauss-Kahn of France has cleared the acquisition of the French media company, Havas SA, by Vivendi, previously known as Cie. Generale des Eaux SA, following a favorable recommendation from the antitrust regulator, a spokeswoman said. (Bloomberg)



William Clay Ford Jr., center, posing with Mr. Trotman, left, and Mr. Nasser.

Fords Reclaim Reins at Ford

Founder's Great-Grandson May Be a 'Green' Chairman

By Keith Bradsher
New York Times Service

DETROIT, Michigan — One of the most storied families in U.S. business reasserted control over the second-largest company in the world as William Clay Ford Jr., a great-grandson of Henry Ford, was named the next chairman of Ford Motor Co.

The current chairman, chief executive and president, Alexander Trotman, 65, announced that he would retire at the end of December, a year earlier than expected. Mr. Ford, the 41-year-old chairman of board committees on finance and the environment, will replace him as chairman of the company then.

Jacques Nasser, 50, president of worldwide automotive operations, will replace Mr. Trotman as the chief executive and president at the end of the year and will retain his current title. In splitting the jobs of chairman and chief executive, Mr. Ford is following an approach popular overseas but seldom seen in the United States. General Motors Corp., the largest company in the world in terms of sales and share of global economic output, divided the jobs from 1992 to 1995 and chose an outside director as

chairman, but only after poor performance in the 1991 recession had destroyed Wall Street confidence in GM management.

Mr. Ford, whose family holds a special class of stock that gives it 44 percent of the voting rights at Ford, said Friday he had no interest in being chief executive. "Having watched how large this company has become, and how tough it is to manage, I think separating these jobs makes a lot of sense," said Mr. Ford, who is raising four children with his wife, Lisa.

Mr. Ford said that he would continue to run the Detroit Lions professional football team, which his ailing father owns, but that he would devote the bulk of his time to Ford Motor.

Henry Ford and his grandson, Henry Ford II, ran the company from its founding in 1903 until Henry Ford II stepped down in 1980. The company has been led by professional managers since then because the younger brother of Henry Ford II, William Clay Ford, was in poor health and the next generation of Ford family members was deemed too young.

A Princeton University graduate who spent a year studying business at the Massachusetts Institute of Technology, Mr. Ford has won a remarkable number of admirers on Wall Street for his intelligence and charisma.

But his close ties to environmentalists and periodic calls for the auto industry to pay closer attention to environmental issues have alarmed some auto executives. Their fear has been that the scion of a billionaire family could put the environment ahead of profits and undermine the industry's united front against pressures from environmental groups.

Mr. Ford mentioned the environment sev-

eral times at a news conference Friday, noting, "My vision for the company is product leadership, the highest quality and customer satisfaction and environmental leadership."

In a subsequent interview, Mr. Ford acknowledged a "tension" between environmentalism and the pursuit of profits in the short term. But in the long term, he said, Ford can distinguish itself from its rivals, sell more vehicles and attract better employees, by being environmentally friendly.



هذا من الأصل

U.S. MUTUAL FUNDS

**Figures as of close
of trading Friday, September 11**

SPORTS

Sosa Smashes No. 61 Against the Brewers

3d Homer in 3 Games Ties Maris on List

The Associated Press
Sammy Sosa hit his 61st homer Sunday against the Milwaukee Brewers, moving past Babe Ruth and into a second-place tie with Roger Maris for the most home runs in a season.

Sosa's third homer in three games left him one behind Mark McGwire, whose St. Louis Cardinals played Sunday night at Houston. Ruth hit 60 homers in 1927 and Maris had 61 in 1961.

Sosa hit an 0-1 pitch from Bronswell Patrick, a reliever for the Brewers, into

Gregg Olson relieved and earned his 28th save, preserving the combined one-hitter by getting Dmitri Young to ground into a double play.

Benes struck out six and walked five in 8 1/3 innings. It was the second time he had gone deep into a game with a no-hitter bid — on July 4, 1994, while with San Diego, he held the New York Mets hitless until Rico Brogna doubled leading off the eighth.

Tigers 4, Red Sox 1 Not even Steve Avery's turn in Boston's rotation could end the Red Sox's slide, as Tony Clark hit a tie-breaking three-run homer to lift Detroit to a 4-1 victory Sunday at Fenway Park.

The loss was Boston's eighth in its last 11 games, with the only two victories coming on days when Avery has started. The Red Sox were 14-0 in games that Avery had gone at least five innings.

With the score tied 1-1 in the eighth, Brian Hunter reached on Nomar Garciaparra's fielding error and Juan Encarnacion singled off Greg Swindell (5-6). Clark followed by driving the next pitch over the left-field screen for a three-run homer of the year. All of the runs were unearned.

Avery opened with 4 2/3 innings of no-hitter and allowed just one run and two hits in six-plus innings before leaving with two on in the seventh. Jim Corsi surrendered Joe Randa's game-tying single before Swindell induced pinch-hitter Geronomo Berros to bunt into an inning-ending double play.

Brian Moehler (13-13) got the victory, ending his career-high six-game losing skid. He surrendered one run and five hits in seven innings while striking out four and walking none.

Indians 6, White Sox 3 In Cleveland, Richie Sexson hit a two-out, two-run homer in the eighth inning as the Indians avoided a sweep at the hands of the White Sox.

Sparked by a second day of brush-back wars and a bench-clearing brawl, the Indians scored two runs in the seventh and three in the eighth to reduce their magic number for clinching a fourth straight AL Central title to four.

Cleveland's Omar Vizquel and Manager Mike Hargrove were ejected in the third after the Chicago starter, Jim Parque, threw a pitch over Vizquel's

head, resulting in a 10-minute fracas.

Marlins 6, Braves 5 In Atlanta, the Marlins beat the Braves by scoring four runs in the seventh off Odalis Perez and two runs with no hits in the eighth off Adam Butler. Both Braves relievers are left-handed rookies.

Atlanta scored three runs in the eighth to cut the lead to 6-5 and had runners on first and third with two outs when reliever Vic Darenberg ended the threat by striking out Tony Graffanino.

Pirates 4, Orioles 1 In Philadelphia, Bobby Abreu broke a tie with a two-run, upper-deck bomer to right field and Paul Byrd allowed three hits over seven innings as the Phillies beat Pittsburgh.

Byrd (4-2) escaped early wildness to earn his second straight victory. After allowing three baserunners in the first, the right-hander set down 15 of the final 18 batters faced. Byrd walked three, all in the first two innings, and fanned four.

Philadelphia broke a 1-1 tie in the fourth inning off Pittsburgh's starter, Francisco Cordova (12-13). Mark Leiter pitched two shutout innings to record his 23rd save.

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Phillies 4, Pirates 1 In Philadelphia, Bobby Abreu broke a tie with a two-run, upper-deck bomer to right field and Paul Byrd allowed three hits over seven innings as the Phillies beat Pittsburgh.

Smith made seven tackles in his first game of the year. He sat out the opener and blamed a sore knee, but there was speculation that he is unhappy with his contract. Marino finished 14-for-26 for 159 yards. He had five passes dropped.

Johnson, who was knocked out of the opening game at San Diego a week ago with a concussion, this time went the distance. He was 10-for-18 for 134 yards.

Ravens 24, Jets 10 Rod Woodson, an old pro accustomed to making big plays, and Jerome Lewis, a youngster just starting to earn a reputation, lifted the visiting Baltimore Ravens past the host New York Jets, 24-10, on Sunday.

Woodson had bad two interceptions, returning the second 60 yards for the clinching touchdown. Much earlier, Lewis went 69 yards on a punt runback to give Baltimore (1-1) the lead.

Lewis had a 97-yard punt return against the Jets in the preseason, headed down the middle, then quickly cut to the sideline and to the end zone. It was the third score on a punt runback in Lewis's two-plus pro seasons.

Woodson, who joined Baltimore as a free agent this season and was a cornerstone on the NFL's all-time team, stepped in front of Jerald Sowell to pick off Glenn Foley's pass and race to the

end zone with 8:44 remaining. Baltimore's defense also had four sacks against a team that scored 30 points and gained 465 yards last week. And it staged a goal-line stand late in the first half to turn the game in the visitor's favor.

After Lewis's score, the Jets (0-2) covered 83 yards in 11 plays to tie it, gaining all but 3 yards in the air. Keyshawn Johnson took Foley's lob in the corner of the end zone over DeRon Jenkins.

Packers 23, Buccaneers 15 Reggie White was in vintage form Sunday at Lambeau Field. The 36-year-old defensive end got three sacks and led a pass rush that harassed Trent Dilfer all day as Green Bay beat Tampa Bay, 23-15, for their 29th consecutive home victory, including four playoffs.

Dilfer was sacked six times, losing the ball on three of them, as the Packers (2-0) put the Bucs (0-2) in an early hole in the NFC Central.

But the news wasn't all good for Green Bay.

Pro Bowl running back Dorsey Levens, who signed a five-year, \$25 million contract three weeks ago following a 44-day holdout, left midway through the fourth quarter with a sprained left ankle.

The Bucs trailed, 23-0, before rookie Jacquie Green returned a punt 93 yards for a touchdown with 6:03 left, and Dilfer hit Patrick Hape for the conversion.

The Bucs pulled to 23-15 on Dilfer's 2-yard TD pass to Dave Moore with 1:57 left. But Bill Schroeder recovered the onside kick, redeeming the Packers' special teams, who mustered two punts in addition to giving up a TD return for the second straight week.

Steelers 17, Bears 12 At Pittsburgh, the Chicago Bears should have known that Jerome Bettis wouldn't have two bad games in a row.

Bettis bounced back from his worst game with Pittsburgh, running for 131 yards and a touchdown to lead the Steelers over the Bears, 17-12, on Sunday.

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WORLD ROUNDUP**Olano Leads Vuelta**

CYCLING Abraham Olano of Spain and the Banesto team stormed through Sunday's ninth-stage individual time trial to take the overall leadership of the Tour of Spain.

Olano covered the 39.5-kilometer (24.5-mile) flat run in 47 minutes and 7 seconds. His closest rival, Melchor Manri of the Once-Deutsche Bank team, needed 41 seconds more.

"Everything turned out well but there was a stretch when I lost my rhythm because of the strong wind that blew almost all the time," Olano said.

Prior to the ninth leg, which was held on the island of Mallorca, Olano was at No. 5 in the standings of the 22-stage Tour.

A fellow Banesto rider, Jose Maria Jimenez, who went into the time trial in the lead, needed over four minutes more than Olano to pedal the windy course.

Alex Zulle of Switzerland and the Festina team, one of the favorites to take the stage, put in a disappointing performance and came in 2 minutes and 24 seconds behind the winning time.

But another favored sprinter, the Frenchman Laurent Jalabert of the Once team, put in a strong run and moved up one place in the overall table to No. 2.

The American former world champion Lance Armstrong who has battled back from cancer also came in strong, placing sixth in the stage and holding onto the No. 4 spot in the Tour standings. (AP)

Aragones Jilts Spain

SOCCER The veteran coach Luis Aragones on Sunday rejected an offer to take on Spain's beleaguered national soccer squad, sending the Spanish Football Federation scurrying to find another option to replace Javier Clemente, state-owned radio reported.

Clemente's departure last week was promoted by a humiliating 3-2 defeat by the semiprofessional Cyprus team that added insult to the injury of a disappointing World Cup performance.

Aragones refused the job because the Federacion insisted he work with Clemente's support team rather than bring in his own, the coach told the national news agency EFE.

Montgomerie Triumphs

GOLF Colin Montgomerie shot a 3-under 69 on Sunday to win the British Masters by one stroke over Pierre Fulke of Sweden and Eduardo Romero of Argentina. Montgomerie, who had been in a slump recently, birdied the 13th, 14th and 17th holes in finishing with a 7-under 281 total at the Forest of Arden course. He earned \$210,750. Fulke closed with a 67 and Romero shot a 68 for totals of 213. (AP)

2-Goal Burst By Inter Milan Substitute Saves the Day

The Associated Press

ROMA — With no help from its veteran stars, Internazionale of Milan turned to an unheralded youngster to avoid an upset Sunday.

The striker Nicola Ventola came off the bench in the second half and scored twice in five minutes as Inter rallied from a two-goal deficit to earn a 2-2 draw against promoted Cagliari to open the Italian League season.

The 20-year-old, acquired from Bari over the summer, produced on an afternoon when Brazil's Ronaldo was serving a one-game suspension carried

EUROPEAN SOCCER ROUNDUP

over from last season and Roberto Baggio and Youn Djorkaeff, a member of France's World Cup champions, were ineffective.

Inter was not the only big club that had trouble with a mediocre one Sunday. The Italian Cup holder, Lazio of Rome, widely considered a contender for the Serie A title, allowed Piacenza's Simone Inzaghi — the younger brother of the former scoring champion Filippo — to net his first league goal with three minutes left and settled for a 1-1 draw on the road.

And Juventus of Turin opened its quest for a third consecutive championship with a dominant first half. Although it played a poor second one, it did manage to escape Perugia with a 4-3 victory.

Putting a damper on the Juventus victory was an injury to Zinedine Zidane, France's World Cup hero, who limped off the field after a rough tackle in the 22nd minute.

After Juventus took a 3-0 lead, Perugia fought back with two goals by the Japanese midfielder Hidetoshi Nakata, on a weekend when 16 of the 27 goals were scored by foreigners.

In Sunday's other game, Bari edged Venezia, 1-0.



Spurs' Stephen Clemence, left, and Steve Vickers of Middlesbrough clashing Sunday. Middlesbrough won, 3-0.

ENGLAND The Colombian striker Hamilton Ricard scored two first-half goals Sunday to lead Middlesbrough to a 3-0 victory that ended Tottenham's winning streak at two games.

Ricard, a transfer from the Colombian team Cali Deportivo, scored in the 25th and 32d to give newly promoted Middlesbrough eight points in five games — the same total as Manchester United, Wimbledon and West Ham. Tottenham has six points.

It was Middlesbrough's second straight away victory as Vladimir Kinder got the final goal with three minutes to play. Ricard scored both goals from about 18 meters and each time showed strength and ball control, fighting off defenders to find space to shoot.

Aston Villa leads England's Premier League with 13 points, followed by Liverpool with 10 and Leeds and Derby with nine each.

GERMANY A goal by the South African international Delron Buckley

three minutes from the end gave Bochum an upset 1-0 victory at Borussia Dortmund on Sunday.

The game was marred by an incident in the 17th minute when a full bottle of water buried from a section of the stands filled with Bochum fans hit the Dortmund midfielder Thomas Haessler in the head. Haessler, who was preparing to take a corner kick when he was struck, suffered a cut but returned to the game seven minutes later.

A crowd of 67,000 fans saw the match between the two rival clubs from the same area. Buckley's goal sent Dortmund, Champions Cup winner two seasons ago, to its second defeat in four games.

NETHERLANDS Ajax Amsterdam and FC Utrecht both dropped their first points of the season Sunday, drawing, 2-2, in a top-of-the-table match.

The major beneficiary was Feyenoord Rotterdam, which now leads the Dutch premiership outright with 12

points from four games, two ahead of Utrecht, Ajax and Vitesse Arnhem.

Jari Litmanen put Ajax ahead after just six minutes, but then the American defender John O'Brien, on loan from Ajax, equalized for his current employer on the stroke of halftime.

The South African Benni McCarthy looked to have won the game for Ajax with a stylish goal, but Utrecht came back hard in the closing stages.

Tom van Mol was adjudged to have handled the ball in forcing it into the Ajax net, but then the striker Michael Mols scored a legitimate equalizer.

In the dying minutes an Ajax defender, Mario Melchiot, cleared off the goal line to save a point for the Dutch champion, which starts its Champions League campaign at Croatia Zagreb on Wednesday.

In Sunday afternoon's other game, Jan Vennegoor of Hesselink's goal gave FC Twente a 1-0 triumph over RKC Waalwijk.

Grand Prix Title Race Heats Up

Schumacher Catches Hakkinen With His Victory at Monza

The Associated Press

MONZA, Italy — Michael Schumacher fought back from a disastrous start on Sunday, led a 1-2 Ferrari triumph in the Italian Grand Prix and tied Mika Hakkinen atop the world drivers' standings for the season.

The sixth season victory gave the German driver a total of 80 points, the same as Hakkinen, who finished fourth in the 14th Grand Prix event.

Schumacher led a British teammate, Eddie Irvine, by 37.9 seconds after 51 dramatic laps that initially looked a flag for the home cars and then ended in a dream result. Michael's younger brother, Ralf, drove his Jordan-Mugen Honda to third place, with a gap of 4.1 seconds.

Hakkinen, who spun off while dealing with his Ferrari rival for first place, still completed the race in a McLaren-Mercedes, collecting three points. He trailed the winner by 55.6 seconds.

Jean Alesi, in a Sauber-Petronas, and Damon Hill, in a Jordan-Mugen Honda, finished in fifth and sixth place respectively. Hill, winner of the previous Grand Prix in Belgium in which both Schumacher and Hakkinen did not finish, was the first of the lapped drivers.

Thousands of fans, waving red-and-yellow Ferrari flags, flocked onto the track as Schumacher completed a triumphant parade lap after winning the race in 1 hour, 17 minutes, 9.672 seconds.

Hakkinen, who had entered the Italian Grand Prix with a seven-point lead, took advantage of a slow start by Schumacher from the pole position to lead the initial laps.

The bad start of the German driver, which dropped Schumacher to fourth place, silenced a crowd of nearly 100,000 Ferrari supporters.

The fans regained their hope and enthusiasm in the 17th lap when McLaren's David Coulthard, who had driven past Hakkinen in the ninth lap, blew the engine of his car. Schumacher, meanwhile, charged from third to first, overtaking Hakkinen with a daring attack just before the Lesmo corner.

"Yes, I made a terrible start," Schumacher said. "At one moment I thought I could not save my race and reach the leading McLarens. I'm overjoyed for winning at Monza."

It was Schumacher's second victory at the Ferrari home track in three years.

As the Schumacher brothers celebrated their first podium ever together, Michael embraced Ralf, who prevented Hakkinen from keeping the championship lead by beating the Finnish driver for third place.

Sunday's victory improved Schumacher's chances to win his third drivers' title. Hakkinen and Schumacher are the only drivers with a chance of winning the title, with two races remaining.

For Sampras and Hingis, the Going Gets Tougher

By Christopher Clarey
International Herald Tribune

NEW YORK — One came up lame; one came up short, and now future victories will come harder for Pete Sampras and Martina Hingis.

Their richly rewarded sport is in the midst of a democratization kick: eight different players won the eight Grand Slam singles titles this year. And in a game where nebulous items like aura and confidence can prove as useful as running forehands and big serves, Sampras and Hingis grow more vulnerable by the match.

You could see it in Lindsay Davenport's eyes and swing on Saturday, as

she jerked Hingis around the baseline with her flat groundstrokes in the women's final of the United States Open: a final she would win 6-3, 7-5. You could see it in Patrick Rafter's body language and cocksure first volleys, even before Sampras pulled a thigh muscle in the third set of Rafter's five-set victory in the men's semifinals that set up an all-Australian final with Mark Philippoussis.

Hingis and Sampras are still the top-ranked players in their sport, but they are clinging to their edge and will have to improve, just as their rivals have improved, before they resume dominating the opposition with any regularity.

Hingis won three of the four Grand Slam events last year, when she had a vice-grip on power in women's tennis, but her only major title this year came at the Australian Open in January.

Hingis lost in the semifinals of the French Open to Monica Seles; in the semifinals of Wimbledon to Jana Novotna and in the final here to Davenport. Her last title was the Italian Open in May, and when Davenport, who is 6 feet, 2 inches tall (1.89 meters) reached down, down, down to shake her hand at the net, Hingis, who is 5 feet, 7 inches tall, suddenly looked like an underdog.

"I don't think she's as aggressive as she was last year," Davenport said. "I think last year, she used to maybe

step into a few more balls. It's hard to compare, but I feel like I had a lot of time today to set up and go for my shots."

"But she's always tough, it's amazing. For her, if she isn't playing great, she still gets to the final."

While Hingis won her first Grand Slam title at age 16, Davenport had to wait until she was 22 to reach her first final, but on her mother's birthday, she made the most of that opportunity, dictating play during the baseline exchanges and serving powerfully. Though she faltered leading, 4-2, in the final set, she regained her composure and rhythm down the stretch.

See TENNIS, Page 20



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